

TWENTY CENTS

FEBRUARY 22, 1930

FEB 25 1930

Sales Management

The Weekly Magazine for Marketing Executives



H. D. Crippen

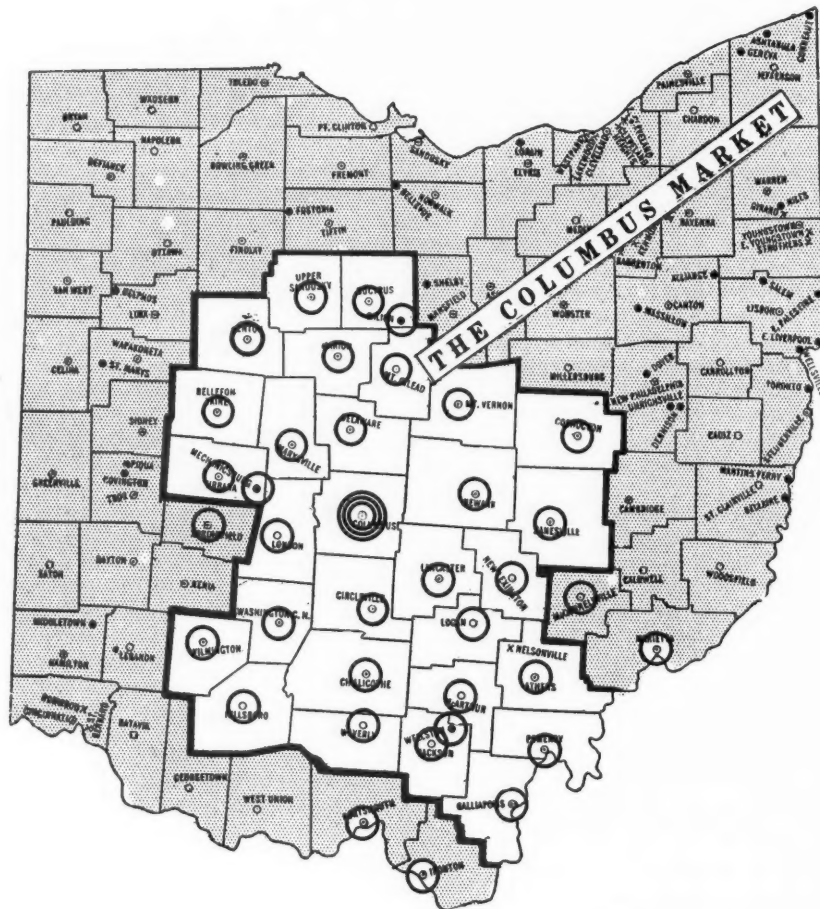
President, The Bon Ami Company, New York City

One Price and No Secrets—
This Policy Built Our Business



Gillette Pockets a \$4,000,000 Loss
to Play Ball with Its Dealers

Columbus Retail Merchants Define THEIR Market



These are cities and towns in the Columbus Retail Trade Area from which Columbus Stores derive a substantial and profitable volume of business.

More Than...

75%

of the Dispatch total net paid daily circulation is concentrated in the CIRCLED cities and towns on the above map, offering a coverage of 1 paper to every 2 homes.

More Than...

88%

of the Dispatch total net paid daily circulation is concentrated in the 29 counties that form the Columbus Market, offering a coverage of 1 paper to every 2.7 homes.

COLUMBUS RETAIL MERCHANTS ASSN.

Trent D. Sickles
Trent D. Sickles, Manager

Columbus Dispatch

OHIO'S GREATEST HOME DAILY

Member 100,000 Group of American Cities

CIRCULATION 125,513 NET PAID

National Representatives, O'MARA & ORMSBEE, INC.

NEW YORK - CHICAGO - DETROIT
LOS ANGELES - SAN FRANCISCO

Your Share of \$200,000,000

Member of A.N.P.A.
and 100,000 Group
of American Cities

Awaits You!



Again First in Ohio Fourth in the Nation

In Six-Day Advertising Volume

A GAIN the BEACON JOURNAL is able to announce that through the co-operation of its advertisers and its complete coverage of the Akron trading area, it has not only retained the high standing of *First Newspaper in Ohio and Fourth in the Nation* in advertising volume for six-day newspapers during 1929, but has actually made a gain of 1,866,305 lines of advertising over 1928! The largest gain made by any of the newspapers listed below.

Standing of six-day papers

1. Chicago Daily News	21,158,274
2. Newark News	21,078,570
3. Philadelphia Bulletin	20,916,120
4. Akron Beacon Journal ..	20,260,715
5. Indianapolis News	18,153,135
6. New York Sun	18,070,077
7. Hartford Times	17,911,558
8. Buffalo Evening News	16,706,786
9. Cleveland Press	16,674,392
10. Los Angeles Herald	16,146,796

A KRON, now a city of 270,000 population, the rubber and lighter-than-air center of the nation, has become a \$200,000,000 market! Its inhabitants and those living in surrounding territory trade in the most modern stores, 16 having been added in 1929 and another \$3,000,000 department store being under construction! In addition to this, Akron is building a 28-story skyscraper, new Y. M. C. A. and Y. W. C. A., and many other structures and street improvements, totalling in value near the \$50,000,000 mark. Figures issued by S. W. Straus & Co. show Akron with \$21,886,309 spent in building during 1929, ranked 20th in the nation.

AKRON is second city in Ohio industrially and tenth in the nation. It will pay you to advertise in this thriving trading area through the one medium that truly covers it—the Beacon Journal.

Obtain Maximum Results at One Cost by Using the

AKRON BEACON JOURNAL

Story, Brooks & Finley, Representatives, New York—Chicago—Philadelphia—Los Angeles

Published every Saturday and copyrighted by SALES MANAGEMENT, INC., 420 Lexington Ave., New York, N. Y. Subscription price, \$4.00 a year in advance. Entered as second-class matter June 1, 1928, at the Post Office at New York, N. Y., under the Act of March 3, 1879. Volume XXI. No. 8.

You would please me very much if you would challenge my assertion—as related to your own business—that you can invest one dollar in advertising and make it do three dollars' worth of work.

First—in adding value to the service you render. Educated customers get more service out of products they have been taught how to use to their utmost efficiency.

Second—in decreasing the cost of your salesmanship. A good salesman's time is too valuable to do any work an advertisement can do. I know salesmen who make more money for themselves and cost their employers less than a third as much as competing houses must pay salesmen to sell unadvertised lines.

Third—in creating "good-will." I know that every dollar I ever spent in advertising White Rock Water, Gold Dust Washing Powder, Fairy Soap, Carnation Milk, Certainteed Roofing, Munsing Underwear, Ingersoll Watches, Cream of Wheat Cereal, Swansdown Cake Flour, Lowe Brothers Paints, Hart, Schaffner & Marx Clothing and Florsheim Shoes was justified by the increased prestige it gave to the trade-mark.

I do not expect any advertiser to do business with me unless our minds meet on fundamentals. Hence there can be no obligation incurred in a preliminary interview.

JOHN LEE MAHIN

41 East 42nd Street

New York City

Long Distance Telephone
Murray Hill 8994

Survey of Surveys

BY WALTER MANN

"Complete Newspaper Markets"

Is it reasonable to assume that those parts of the country which haven't a sufficient interest in human affairs to warrant the maintenance of a daily or weekly newspaper are therefore poor markets for advertised merchandise?

If so, then it might well be said that the 264-page book "Complete Newspaper Markets" (published by *The American Press*) gives vital data on all the worth-while markets in the United States. For in its pages are found data on every weekly, semi-weekly, tri-weekly or daily newspaper in the country.

"Complete Newspaper Markets," says the introduction, "published by *The American Press*, presents the first complete retail outlet analysis, supplemented by an industrial analysis of communities under 50,000 population, ever compiled for all cities and towns wherein there are published newspapers, dailies or weeklies."

The market thus presented is certainly unusually broad in scope, though not necessarily a complete picture of all markets of the United States. For while there are comparatively few independent small towns of importance without some sort of a local news vehicle, yet, there must be many smaller places, especially those lying within the shadows of big cities, whose consciousness is similar to that of the city on which it depends, and for whom no local paper is needed.

Doubtless, however, many such places are part of the trading areas of the adjacent larger cities. And it is true that, outside of that limited class who have given up reading newspapers (because of the occasional luridness of the content of even the best of them or possibly because of the not too obvious bias of their views), most of the "alert minds" of the country will insist on some means of keeping up with the times, which even the weekly newspaper (no matter how small) today in some degree provides. For, the book says, there are forty million such readers in a nation of 26,310,000 families. Enough to go around once, and half around again.

Patterned somewhat after the Editor and Publisher's Annual Market Data Yearbook in type of information, and similar to the 100,000 Group of American Cities' yearly market book in style of data arrangement, "Complete Newspaper Markets" is described on its cover as "an industrial and retail outlet analysis, listing in county arrangement, all cities and country towns in which are published newspapers."

Apropos of the discussion of trading area outlines now going on in the columns of *SALES MANAGEMENT*, the introduction of this book (in giving its reasons for using the county line basis for submitting its data), says, "Complete Newspaper Markets" does not suggest that county lines constitute zone demarcations for the placement of advertising. By the same token, it realizes that imaginary circles drawn around metropolitan areas do not constitute actual

advertising zones. The fact is that most nationally advertised products develop their own zones.* But in any given zone, however laid down, study of individual markets can best be made by counties.

"The county unit is a workable one, offering a degree of visualization exceeding that which would result either from mere alphabetical listing of communities by states or from any style of listing based on one, two or three hundred mile radii focusing in large cities."

Although county lines are therefore directly endorsed as a basis for working out market or trading areas, it is recognized that the facts on any individual town or city should be readily consultable. Hence the index of towns in the back is arranged under state headings, alphabetically by communities, the county being given in conjunction with the town or city. "Thus by turning to the index for the name of the county in which the town or city is located, one can quickly look up the individual towns or cities."

In this, "Complete Newspaper Markets" exhibits the same broadness (tinged with noblesse oblige) that *International Magazine* does in its presentation of the county figures—although they are convinced that the "sub-centers grouped around cities" is the only way to make up a trading or market area.

The data given is well chosen and most concise. It includes information on, first, the newspaper towns under 50,000 by counties within states. Those over 50,000 are given in a separate table at the end of each state. These towns are subdivided into those having dailies and those having weeklies; and each town is given further identification by a symbol whenever it is a county seat. Further symbols indicate the nearest city or town of 20,000 or over, as well as the railroad by which it is reached. In addition to all this data, we find the population of the town and of the county (as of the 1920 census) as well as the number of daily, tri-weekly, semi-weekly, and weekly newspapers per town. A most complete and concise arrangement.

Next comes what is called the "industrial analysis," giving the dominant industry (be it manufacturing, mining, agriculture, railroad shops or colleges, etc.); the leading agricultural products of the area surrounding the town, the leading manufactured product, the mining products of the area and finally a column for other industries in or around the town.

Then comes a dealer breakdown, similar in arrangement to the 100,000 Group of American Cities tables except that certain types of retail outlet are omitted because they would have no excuse for existence in a smaller town. In mild criticism we might point out that there is no listing for restaurants (although there is scarcely a town, no matter how small, on any well traveled route, that does not boast of at

(Continued on page 363)

*This view is shared by many students of trading areas. This is substantially the stand taken by S. E. Conybeare of Armstrong Cork Company and Everett R. Smith of the Manternach Agency, Hartford, in the "S.O.S." column last week.

VOL. XXI. No. 8
February 22, 1930
Published Every
Saturday

Sales Management

Publication Office:
420 Lexington Ave.
New York. Phone
Lexington 1760



TO SALES MANAGEMENT'S older subscribers, D. G. Baird is already well known, for he has been contributing to this magazine for the past eight years. To the newer subscribers he will be known as a writer who keeps closely in touch with leading concerns in the Middle West and reports, completely and accurately, the marketing ideas these companies are successfully using.

Because the editors of SALES MANAGEMENT believe that no magazine can adequately serve its readers without close contact with the field, Mr. Baird spends practically all of his time talking with sales executives, advertising agents and publishers, not only to gather material on tested sales plans, but also to inform subscribers of the new things that are happening in the sales management field, while they are still brand new.

During the last three months Mr. Baird has covered various angles of the sales policies of the Silent Automatic Corporation, Hammond, Standish & Company, Frederick Stearns & Company, Warren-teed Seed Company and Kratt-Phenix Cheese Company. In this issue he presents the story of how Berry Brothers introduced their new line of house paint.

In the sales and advertising publication field Mr. Baird's articles appear exclusively in SALES MANAGEMENT.

CONTENTS

Compensation

How to Find the Best Method for Paying Your Salesmen 344

The last of a series of articles by Lincoln Lothrop, secretary and director of merchandising, Bigelow, Kent, Willard & Company, Inc., Boston

Dealer Cooperation

How Dealers and Jobbers Cashed in on "Pepperell Week" 340

General

Significant News 333

What Is a Sound Expansion Policy? 338

The second of a series of articles by John Allen Murphy

Market Analysis

What the Department of Commerce Contributes to Trading Area Study 342

By Walter Mann

Sales Policies

One Price and No Secrets—This Policy Built Our Business 334

As told to James True by H. D. Crippen, president, The Bon Ami Company, New York City

Gillette Pockets a \$4,000,000 Loss to Play Ball With Its Dealers 341

By Lawrence M. Hughes

How Berry Brothers Are Introducing a New Product in a Competitive Field 336

By D. G. Baird

How Are We to Set Price Policies for Price-Mad Prospects? 349

The conclusion to an article in last week's issue by James H. Warburton, sales manager, Marietta Chair Company, Marietta, Ohio

Departments and Services

Survey of Surveys 326

Latest News in Sales and Advertising, Beginning on 350

Editorials 360

Cover photograph by Blank & Stoller

RAYMOND BILL, President; PHILIP SALISBURY, Vice-President and Director of Advertising; J. B. WEINTZ, C. E. LOVEJOY, Vice-Presidents; M. V. REED, Eastern Advertising Manager; FREDERICK FRANKLIN, Promotion Manager; R. E. SMALLWOOD, Circulation Manager; G. D. YOUNG, London Manager. Published by SALES MANAGEMENT, INC., 420 Lexington Avenue, New York; Chicago Office, 333 North Michigan Avenue; London Office, 33 Chancery Lane, W. C. 2.



"MORE ROOM", Said the Western Union

"Unusual growth of business" in Florida compelled the Western Union Telegraph Company last month to lease and arrange for construction of a five-story building in Jacksonville. Another commercial giant headquartering here for southeastern territory! Industry, commerce, agriculture steaming ahead; profitable years, these. Reach the profit-makers through—

The Florida Times-Union JACKSONVILLE
FLORIDA

Gaining \$200,000

DELINEATOR has gained in gross advertising revenue in the first four issues of 1930, now closed

DELINEATOR already has on order for May and June a gain of more than . .

GAINS for first six months of 1930 *now* more than

THE GAIN for the three previous years was

THESE GAINS, attributable to the progressive woman's response to Delineator's modern editorial methods, are for three and one-half years, more than

> > > *DELIN*

In nineteen months, Delineator

an Issue



{ January	\$135,699				
{ February	181,522				
{ March	225,702				
{ April	238,516	.	.	.	\$781,439

. \$420,000

. \$1,200,000

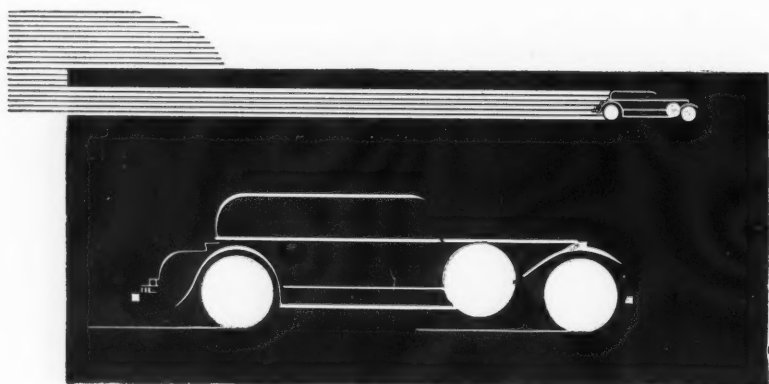
. \$2,085,000

. \$3,285,000

E A T O R



increased 1,000,000 in circulation!



AUTOMOBILES

For fifteen years, The Sun has led all New York evening newspapers in Automobile Display Advertising.

During 1929, The Sun's volume of Automobile Display Advertising was over 880,000 lines—which is almost 400,000 lines more than the volume published by the second New York evening newspaper.

The Sun alone of all the standard size New York newspapers showed a gain during 1929.

This outstanding record is significant because it shows The Sun's strength in circulation among the prosperous, buying people who constitute the best market for automobiles as well as most other commodities.

AUTOMOBILE DISPLAY ADVERTISING NEW YORK EVENING NEWSPAPER Standard Size AGATE LINES — 1929

	1929	1928	Gain over 1928	Loss over 1928
THE SUN.....	888,370	880,202	8,168	—
Journal	489,029	608,569	—	119,540
Post	380,253	458,547	—	78,294
Telegram	377,379	443,915	—	66,536
Evening World .	153,621	158,998	—	5,377

The Sun

NEW YORK

The Newspaper of Distinction in its Readers, its News and its Advertising

Significant News

• • • The newspapers gave prominence this week to the fact that savings deposits in the United States fell off \$195,000,000 in the fiscal year ended June 30, 1929—the first decline in any year of the twenty-year period then closed—a loss which, coming on the heels of a gain in 1928 of \$2,300,000,000, following gains of \$1,400,000,000 in 1927, and \$1,562,000,000 in 1926, was generally ascribed to "the lure of profits made in stocks." Less dramatic but far more significant of current conditions and prospects is the news that the decline was not only arrested after the security crash but replaced by a resumption of an increasing trend in savings deposits.

• • • This is clearly indicated by advance figures furnished to SALES MANAGEMENT of what happened in New York, state and city. In the state, the losses in October and November were \$85,244,289 and \$42,152,590, respectively; in the city approximately \$71,000,000 and \$32,000,000. With the culmination of urgent liquidation in November the outflow ceased and was followed by a rapidly rising inflow—the increase in the state in December and January being \$10,044,772 and \$25,485,496, respectively; in the city \$1,200,000 and \$22,500,000.

• • • At this rate it will not be long before the savings banks are in a position to resume liberal granting of mortgage loans which will react favorably on the entire building industry. The loss in 1929, it should be borne in mind, was notable not for its size but because it marked a change in long usage. As a matter of fact the shrinkage was less than .07 of 1 per cent of the whole sum of the savings of 1928—\$28,217,656,000.

• • • The Goodrich Silvertown, Inc., Retail Service Stations, announced this week, are interesting for the frank use for the first time of the Goodrich name on the great rubber company's retail outlets, in that respect following the Firestone example. Tire distribution seems to be in for a big time.

• • • The news that Henry Ford will devote the remainder of his life to expanding facilities for technical education at an expense that may run to \$100,000,000 will get more attention than it has thus far received when it is known whether it means that his days as a builder of automobiles are at an end.

• • • A possible solution of the automobile problem of crowded highways is seen in the Grand Trunk Railroad \$100,000,000 project for a toll twenty-six-mile speedway built above the railroad's right of way between Detroit and Pontiac. Over a four-lane asphalted roadway running forty feet above the railroad tracks, commuters can cover the distance in thirty minutes, fifteen minutes ahead of electrically operated trains underneath.

• • • General Motors through its acceptance corporation is out with a plan to finance Fokker airplanes to financially responsible purchasers, along the lines followed in financing automobile sales, including insurance protection. G. M. is expected to extend the scope of its plan to cover other makes of planes if encouraging response attends its Fokker venture, and other automobile companies are sure to watch the experiment with jealous interest.

• • • Railroad figures for 1929, just out, tell as much about the business of that year as any other set of statistics, and in some respects are the most comprehensive of all. The 180 Class I companies had operating revenues of \$6,352,355,000, 2.6 per cent more than in 1928, though passenger fares amounting to \$873,582,000 were down 3.2 per cent—less than in any year since 1909. Net operating income reached \$1,274,774,000—\$80,286,000 more than in 1928—a return on property of 4.95 compared with 4.72 the year before.

• • • Canadian trade with the United States in 1929 amounted to \$1,438,880,000, a gain of \$100,000,000. We sent \$893,607,000 worth of goods across the border, \$68,000,000 more than in 1928, and took from our northern neighbor \$522,586,000 worth of goods, \$32,000,000 above the imports of 1928.

• • • Partial adoption of sealed paper containers for liquid milk by the principal New York distributors is an innovation that may have far-reaching ramifications. It affects the glass industry, the growers of spruce (the fibre of which is used in making the seal cones), and, because of convenience and economy in handling, may add to milk consumption. How it will influence other food packing remains to be seen.

• • • A new attack has been started against the chains, this time in Nebraska. Some lawyer there has dug up a state statute which forbids the sale of products in one locality at prices lower than in other localities for the purpose of suppressing competition. On the strength of this law a committee of retail grocers and meat dealers has asked the attorney general of the state for an investigation, which he has promised.

• • • A mass of facts about food distribution has been unearthed by the Department of Commerce in its Louisville city surveys. Of these perhaps the most interesting to grocers is that Louisville stores handling meat and fresh fruit and vegetables, as well as regular stock, have an average volume three times as large as that of old-line grocers. The chief items of the Louisville food bill drawn off on a per capita basis were found to rank as follows: Meat, \$27.27; poultry, \$17.57; canned and bottled goods, \$14.87; bakery products, \$10.92; vegetables, \$8.88; fruits, \$4.96; candy and other confectionery, \$4; soft drinks, \$3.90; ice cream, \$3.77; and sea food, \$1.24. Milk had the largest sale of any single product, \$10.83.

• • • In the eleven-city census of distribution, which lumped groceries and delicatessen stocks, accounting for 33.56 per cent of the food bill of these cities and their trading areas; included meals outside the home, 22.26 per cent, and segregated milk, butter, cheese and eggs, 8.35 per cent—ice cream and soft drinks were credited with 8.24 per cent; bakery products with 6.31 per cent; vegetables with 2.58 per cent; fruit with 2.55 per cent, and sea food with 0.85 per cent. Experience tables of this kind show no great discrepancies in the buying habits of communities in this country as far as larger requirements are concerned.

BY
D. W. WHITE

It has been the policy of Municipal Stores to encourage buying on a week-to-week basis and to keep inventories at a minimum. Buying policies are set by executives of the company aided by an advisory executive committee.



Municipal Stores Win a Foothold in the New York Market

NEW York City's first voluntary grocery chain, Municipal Stores, Incorporated, is one year old and is making good in a big way.

Harry R. Socolof, of the Sweet Life Food Corporation, Brooklyn wholesale grocers, had watched the progress of the chains and the development of new competitive methods in the New York area at close range over a period of years. He was in the peculiar vantage point of an observer in the territory where the first and greatest chain had its inception. As a wholesale grocery salesman, he came into intimate contact with the problems of both the independent retailer and wholesaler. He saw their business being taken away from them and failure confronting many who were unable to cope with the situation. He was impressed by the fact that many old grocers had only to look forward to abandoning their business with the hope of possibly becoming a chain store clerk or manager. Young men starting out were avoiding the independent grocery business almost entirely.

As a result of his daily observations, Mr. Socolof resolved that if it were possible he would try to remedy the situation for the New York independent retail and wholesale grocer. After studying the situation from all angles, he came to the conclusion that the voluntary chain was the only practical solution.



Harry R. Socolof

Sponsored by a Brooklyn wholesale grocer, Municipal Stores, Inc., a voluntary chain of retail grocery stores, a year ago set out to do something definite and constructive to buck the competition of the regular chains. This record of the accomplishment of a mutual organization in the country's biggest metropolitan market is both important and significant.

Not to be checked by precedent, Mr. Socolof and his associates decided to start the first voluntary grocery chain in metropolitan New York. The units in this chain were to be known as the Municipal Stores and were to operate as nearly like an outright chain as possible—with the great exception that each was to be owned by the individual operator. This was in February, 1929, just one year ago. At that time a chain store specialist became associated with the venture as general manager.

In that one year, there have been ninety stores affiliated, located in Brooklyn and Queens. These stores did in that period approximately \$2,700,000 worth of retail business. This volume is expected to be raised to well over \$3,000,000 in the coming year because of greater volume due to advertising efforts and additional stores.

Naturally the motive behind the inception of the Municipal Stores by the Sweet Life Food Corporation, was not entirely altruistic. Sweet Life Food Corporation had felt the business blows dealt by the chains and their volume had been materially cut. Where they had formerly been supplying 25 to 33 per cent of the merchandise on their customers' shelves, the new Municipal Stores gave them outlets handling 50 to 65 per cent of goods supplied by Sweet Life.

Furthermore, this percentage is constantly increasing toward a goal of 80 to 95 per cent with the addition of



Municipal Stores do not advertise the store owner's name, or the fact of independent ownership, in any way. All store fronts are fundamentally the same. The stores look, in fact, a great deal like their chain competitors'.

new commodities sold through Sweet Life. Having started the sale of private label goods over eleven years ago, such outlets for the forty-odd Sweet Life private label items bordered on the essential.

Municipal Stores offer an opportunity to men, young or old, with a knowledge of the grocery business and a modest amount of money to invest, to go into business of their own. Further, they are enabled to start from scratch with none of the tremendous odds against them that would confront men of similar qualifications attempting to start entirely on their own.

Municipal Grocery Stores, Inc., made their policy clear with regard to helping men desiring to start their own grocery business as well as in bettering conditions for the grocer whose business was already established. They did this by running the following advertisement:

ATTENTION!

Grocery Store managers and clerks.

Own your own grocery store under chain system and create for yourself and family what you now do as an employe of the owners and magnates of direct controlled chains.

The Municipal Grocery Stores, Inc., offers the opportunity, plus your ability, experience and individual personality which will soon make you independent in a sound cash business with rapid turnover.

If you act immediately you start so much sooner in owning and operating your own store. Write now. We can help you.

MUNICIPAL GROCERY STORES, INC.

Needless to say this advertisement came to the attention of chain store

men all along the line and at least one of the largest grocery chains in the country told its supervisors to get all possible information about the Municipal "chain."

The replies to that advertisement were a most interesting commentary on existing conditions. Chain store employes came to find out more about the proposition, but were loathe to give information about themselves for fear of jeopardizing their jobs, should it become known they were "looking around." Independent grocers came with the almost despairing hope that they could find relief from dwindling profits. Grocery clerks proffered experience and savings to start a business of their own.

Out of those who replied, several were chosen as meeting requirements set up by the members and executive committee of Municipal. They now have their own stores and are each making between \$700 and \$1,000 a week in sales.

The article announced on the cover of this issue concerning the sales policies of the Bon Ami Company was delayed just at press time for the addition of further facts. It will be presented in a later issue.

This first New York voluntary grocery chain has adapted itself peculiarly well to the territory in which it operates. Unlike many voluntaries it does not attempt to compromise in the matter of approaching the public. It was realized that the chains had built up valuable public opinion on the subject of value received in the chains. Accordingly, they do not advertise the store owner's name, or the fact of individual ownership, in any way.

All store fronts are fundamentally the same. To all appearances each is a chain store, the signs being the same, all fronts painted orange, and the owner's name is displayed only on a little card near each cash register with the title of "manager."

Aside from furthering complete chain store atmosphere, this policy has other advantages. Where retailers have been operating on a heavy credit system, they are able to display a sign, or otherwise give notice that under the new system, the extension of credit has been limited to short periods or discontinued altogether. The same applies to elimination of unprofitable delivery service.

However, each store owner makes his own decision as to the maintenance of credit and delivery service. He is influenced in this decision only by studies of costs which are submitted to him by headquarters.

Such headquarters help and advice is disseminated through "service" men, six of whom contact each store at least once a week. Most of these men were at one time employed in regular chains and are thoroughly conversant with chain merchandising methods. They act as educators and advisers, tying up

(Continued on page 362)



For the first time, Berry Brothers are adding to their line of varnishes, lacquers and enamels, a line of house paint. Most of their dealers already are carrying one or more competitive brands. How they are obtaining distribution for their paint in the face of this problem is explained here.

How Berry Brothers Are Introducing a New Product in a Competitive Field

FOR seventy-two years Berry Brothers, Inc., Detroit, have been making finishing materials. Their varnishes, lacquers and enamels are well and favorably known throughout the world and are sold through approximately 12,000 dealers in the United States. Now for the first time Berry Brothers are introducing a line of house paint.

Probably a majority of Berry Brothers dealers carry house paint, and as Berry Brothers in the past have had no house paint line, this means that they carry paint produced by other manufacturers. Heretofore these other manufacturers have stood by and offered no objection to their dealers' carrying Berry Brothers products, but it is unlikely that they will adopt a passive attitude toward Berry Brothers house paint.

"We are thoroughly convinced that we have the best house paint on the market, but we recognize the fact that ours is not the only good house paint," C. L. Forgey, director of advertising, said. "We could go to dealers and tell them that our paint is made of the best lead, the best zinc, the best linseed oil and Lionoil, but that isn't enough. There are other paints that contain the best lead, zinc, and linseed oil, although none that contain Lion-

oil, which is made exclusively by Berry Brothers. Lionoil is a strong selling point and we are making the most of it, but even that is not enough. We are entering a highly competitive field in which numerous manufacturers are already strongly entrenched, and we had to have something more to interest dealers favorably in a new brand of house paint.

"In planning our presentation, then, we asked ourselves what dealers are thinking of and we concluded that they are thinking most about two subjects—mergers and the competition of chain stores and mail-order houses. As a result of mergers, the dealer who has had exclusive sale of a line of paint in his community commonly finds that his competitor, who heretofore has had exclusive sale of another line, now represents the same manufacturer as he does.

"The rapid growth of chain-store and mail-order business has placed undue stress on price and the independent dealer who would much prefer to stick with quality needs considerable encouragement and education to do so.

"We asked ourselves what form of presentation would likely be most convincing and we concluded that the best policy was to be perfectly frank about our product and to present it

under average or below average conditions.

"We also concluded that we would build slowly for permanence and would make the new product pay its way, rather than gamble a million or so in a spectacular campaign to line up thousands of dealers the first year. The paint market did not warrant any plunging tactics.

"We selected 10,000 of our dealers who carry paint and we asked each of our fifty salesmen who call on dealers to furnish twenty names of dealers in their territory who would be acceptable Berry Brothers paint dealers. We are working on these prospects now and from them we hope to sign up just 500 paint dealers this year.

"About the middle of January we mailed a prospectus to these dealers. This told our story so convincingly that numerous dealers have sold themselves on the line just from reading it. Many have asked us not to urge them to take on our paint line, explaining that they have carried our products for years, have always found them satisfactory, and have always cooperated with us to the fullest possible extent, but that they can't take on our paint. We have told them that is quite all right, that we are not going to urge them at all, but that we would

like to have them read this prospectus, and after reading it, without any solicitation at all from us, they have placed an order for Berry Brothers house paint.

"Our salesmen use much the same material in soliciting dealers. They are also provided with a portfolio and some very simple exhibits.

"One of these exhibits is a small metal panel mostly coated with Lionoil. The coated portion is in perfect condition, the uncoated is rusty, showing that Lionoil rustproofs metal.

"Paint manufacturers usually provide their salesmen with exhibits that have been prepared with utmost care. We provide ours with a piece of used siding, weather-beaten on one side and painted with our cream-colored paint on the other; the hardest color there is to cover with. Part of the surface has only one coat, the other has two, demonstrating exactly how our paint covers wood under very unfavorable conditions, with one coat or two.

Feature Quality

"We tell the dealer about the house and the product. We emphasize the fact that we are an independent company, an old company with an honorable reputation, that our products have always been noted for quality, that we have always played fair with the trade. We tell him about Lionoil. We stress the importance of featuring quality as compared with price.

"Then the dealer wants to know what merchandising cooperation we will give him and we show him our advertising. We will publish four or five ads in his local newspaper, announcing that he is our authorized dealer and of course telling something of Berry Brothers house paint, we will cooperate with him in further newspaper advertising, we tie up with master painters in our national advertising and we will send four pieces of the finest direct-mail he has ever seen, bearing his imprint, into the homes of 100 hand-picked prospects in his territory.

"Some manufacturers circularize thousands of names indiscriminately. We prefer quality to quantity in this as in other things. We have had prepared the finest mailing pieces we could buy and we will send them free to just 100 real prospects for each dealer. If he wants to circularize others, it will cost him sixty cents a name for the four pieces.

"We are also experimenting with broadcast advertising, but our plans along that line are not settled yet.

"We expect to sign up 500 dealers this year and that is all we can take care of at present."

The prospectus to which Mr. Forgey

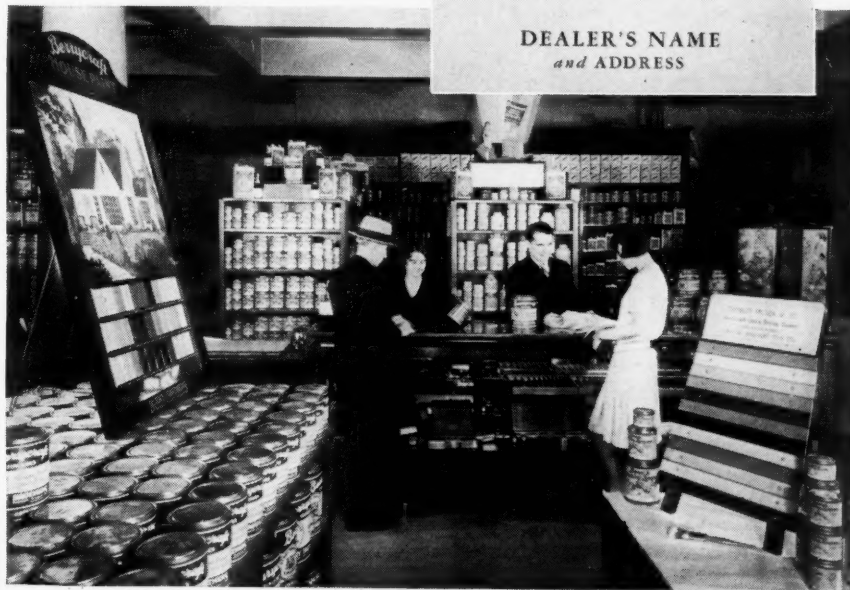
referred is an eight-page magazine-type piece, with an exceptionally effective attention-getting cover produced by means of photography to illustrate the point that, "The Berrycraft line leads profitable buyers directly to the counters of the dealer who believes in assuring a growing business through making present sales produce satisfied purchase-repeating customers." It stresses the importance of buying right and insuring customer satisfaction, it presents a sales talk that can be lifted and used by the dealer's clerk, and it outlines the helps offered by the manufacturer. The cover of this prospectus is reproduced at the top of the page opposite.

The direct-mail pieces are all self-mailer folders, handsomely illustrated in four colors. That 75 per cent of the cost of painting goes for labor and that, because it lasts longer, good paint is more economical than cheap paint, is stressed in each piece, as is Lionoil, which is the big feature of the entire campaign.

Attractive color cards of an unusual design and numerous other dealer helps have been provided.

Dealers are offered a fifty-fifty newspaper advertising proposition based on 4 per cent of their volume. The type of advertisement provided by the company is shown in the column at the right.

Berry Brothers are building up distribution for their new paint on the selective plan. Out of 10,000 of their best prospects they will seek to sign up 500 this year.



BY
D. G. BAIRD

"When dealers want to know what merchandising cooperation we will give them, we show our advertising. In addition to our national advertising, dealers are offered a fifty-fifty newspaper advertising proposition based on 4 per cent of their volume."

... SEE *this*
amazing new
finish *before you*
paint your house



Berrycraft is the greatest improvement made in house paint during the last quarter of a century. It is the first and only house paint made with Lionoil, a secret-processed ingredient used for years by master painters as a hardener and dryer. Lionoil is a wood preservative and rust preventive without equal. It binds Berrycraft House Paint to wooden surfaces—penetrates and seals the pores of the wood.

Even salt spray—frigid cold and blistering heat are successfully resisted by Berrycraft House Paint. It gives added years of wear. The stylish, high-luster colors won't fade—and this paint never chips, peels or dusts off.

Paint is the small part of your finishing expense. Labor accounts for 75 per cent of the cost. Save money—use paint that lasts. Berrycraft costs no more than less durable finishes. Let us tell you all the facts. See the Berrycraft color card. Get the utmost in beauty and durability.

DEALER'S NAME
and ADDRESS

What Is a Sound Expansion Policy?

No. 2. Expansion via the Evolutionary Method—the Safest Way to Let a Business Grow.

Generally, says Mr. Murphy, it is a good rule for companies to expand much as a baby learns to walk—step by step. Thus are avoided the hazards which threaten when a firm strays too far from its base of experience. Dozens of examples are cited here to illustrate how leading concerns have gradually evolved into their present state.

IN the first article in this series the point was made that too often business men get in trouble because they expand blindly. They abandon, or sidetrack, a line in which they have been successful and go in for airplanes, electric refrigerators, chocolate malted milk or into some other field that they know nothing about.

It is admitted that a company may occasionally have to make some change. The product or the service to which it had previously been devoted may be playing out. To survive, the concern may have to add other products or go into some other kind of business.

If a company that is confronted by such a necessity is wise, it will not stray too far from the game it knows. It will get into some line that is similar to its former business. Generally it is a good rule for companies to expand much as a baby learns to walk—step by step. If this plan is followed a concern is never a long way from its base of experience. Nevertheless, if it continues to move in this manner, it may find itself eventually a vast distance from where it started. Any number of commercial organiza-

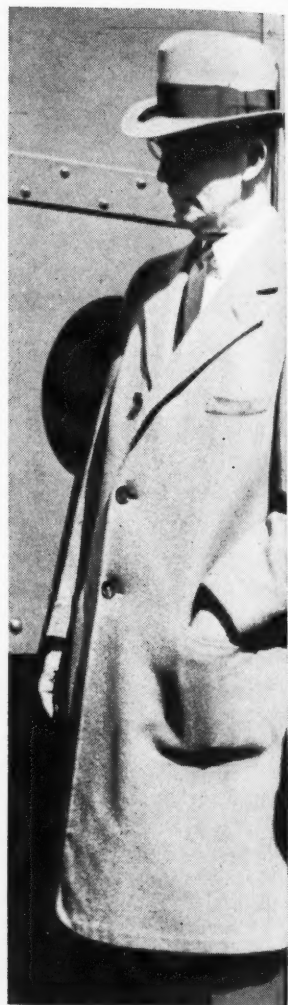


Blank & Stoller

tions, by pursuing this expansion method, have landed after a few years in businesses totally unlike those in which they originally set out.

There are several concerns in the motor car industry that have gone through an evolution of this sort. For

example, the present Studebaker Corporation is a direct descendant of Studebaker Brothers of farm wagon fame. The father of the brothers was a Pennsylvania blacksmith. In 1835 he built a covered wagon to carry the family westward. They settled in

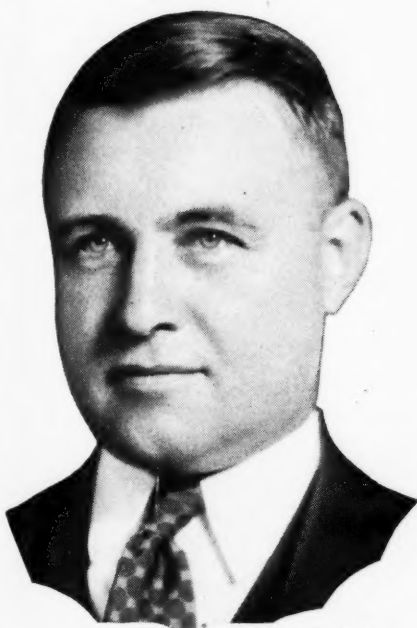


U. & U.

H. H. Timken. Timken started making axles for horse-drawn vehicles. For years the business has been solely roller bearings for automobiles and everything else. Now the company is becoming a big steel producer.

Walter C. White. His father manufactured sewing machines, then steam-driven automobiles. But he saw an opportunity in trucks.

BY
JOHN ALLEN
MURPHY



Blank & Stoller

B. G. Dahlberg. He couldn't buy enough bagasse, so he now grows his own. Incidentally, he has become a big sugar man.

Ohio, and set up a wagon-making business there. In 1852 the firm of H. & C. Studebaker was organized with a capital of \$68. The business prospered, as covered wagons were in demand to carry gold seekers to California.

The original firm was succeeded in 1868 by the Studebaker Brothers Manufacturing Company, with a capital of \$75,000. In 1897 the company began experimenting with horseless carriages, but it was not until after the turn of the century that Studebaker actually turned out a workable automobile. It is not generally known that Studebaker also sold harness. Its sales of wagons and harness totaled \$119,000,000 before the advent of the automobile. And long before Henry Ford was out of his industrial swaddling clothes Studebaker produced its millionth wagon.

Thus does the Studebaker Corporation establish its right to be known as the oldest vehicle manufacturer in the United States. Today it produces the Pierce-Arrows in which President Hoover rides. In 1835 the original Studebaker was working at a forge.

The White Motor Company started out as the White Sewing Machine

Company. Thomas White, inventor of the sewing machine that bore his name, conceived the White steam-driven automobile. He got out of the sewing machine company to push the new baby. The White Steamer met with considerable success. Eventually, though, it was sidetracked by the popularity of the gas motor. By this time Walter White, son of the founder, was in the business. Walter saw the possibility of the gas motor truck. He abandoned passenger cars and concentrated on the White truck. He kept his company to the forefront of the industry to the day of his death in 1929.

The Opel Motor Works, Germany's big motor car manufacturer and the largest producer of bicycles in Europe, now a General Motors unit, traces its origin to a locksmith's business. Adam Opel, a locksmith and the son of a locksmith, the founder of the present company, invented the Opel sewing machine, which has long been Singer's most serious rival abroad. When the bicycle was invented Adam Opel saw advertising possibilities in it. His sons became champion riders. Bicycles were added to the Opel line. Later motor cars were adopted by the Opel family.

There are other manufacturers in the motor car industry whose genealogy is not quite so complicated, although they did come over from other

fields. For instance, Van M. Cartmell, the founder of the Kelly-Springfield Tire Company, was a manufacturer of rubber tires for carriage wheels. He adapted his product to the automobile when the motor showed signs of gaining on the horse.

And, of course, everyone knows that Fisher Brothers were carriage body builders. They swung into the production of automobile bodies when demand tipped in that direction.

The Timken Roller Bearing Company also dates back to the wagon and buggy era. At the outset of its career the concern made axles for horse-drawn vehicles. Then when benzine buggies came into existence Timken made axles for them. After a time it developed roller bearings and that became the big end of its business. For years the company sold its bearings on the quality of the steel that it put into them. This gradually created a demand for this steel from other industries. This caused Timken to organize a steel subsidiary. Now, in addition to its bearings, Timken is the largest manufacturer in the world of electric steel and of alloy seamless tubing.

A number of manufacturing businesses started in retail stores. The proprietor originated some specialty that he thought so well of that he decided to market it nationally. That is the way Carl Weeks, the toilet goods industry's enterprising eccentric, started. Mr. Weeks was a druggist. He compounded Armand face powder and with it as a basis built up a thriving manufacturing business.

Mennen's Talcum Powder, Mum, Daggett and Ramsdell's face cream and many other drug and toilet specialties first saw the light of day in drug stores. Every druggist is potentially, if not actually, a manufacturer. If he follows up his opportunities it is logical to find him developing specialties. I have been told that the Daggett and Ramsdell drug store was originally located near the Waldorf-Astoria Hotel. The proprietors were impressed with the beauty of its women patrons who came from the Waldorf. These women owed their good

(Continued on)
page 365)



U. & U.

William H. Woodin, in making motor boats, is departing quite a distance from his original railroad car business.



U. & U.

Fritz Von Opel, the present head of the Opel Works. This gigantic enterprise traces its ancestry back to a locksmith.



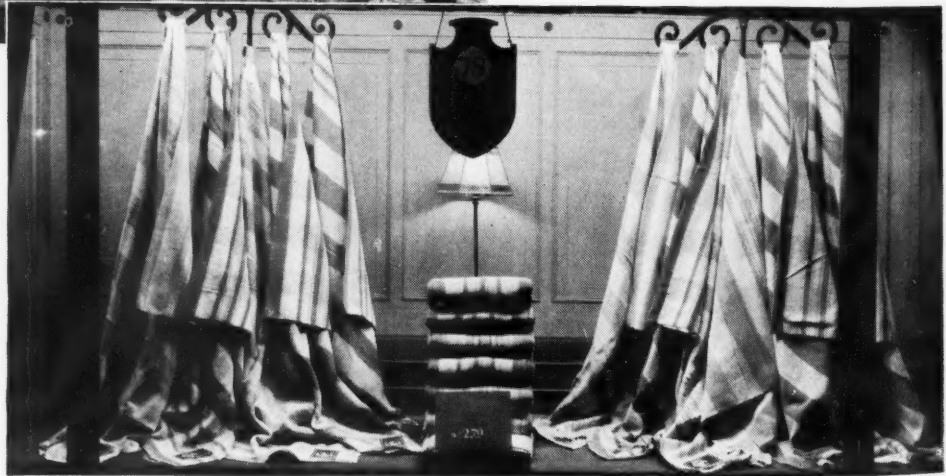
Through the special campaign conducted throughout New England last week, Pepperell won some especially fine tie-up promotion efforts from leading department stores. (Left) R. H. White Company, Boston, display in furniture department. (Below) Gilchrist's feature Pepperell in domestics department.

How Dealers and Jobbers Cashed in on "Pepperell Week"



(Below) Pepperell blankets were made the center of Pepperell Week promotion by the Edward Malley Company, of New Haven, in this attractive window display.

(Above) Farley Harvey Company, jobbers, featured this interior display in their sales rooms throughout Pepperell Week.



(Details of this campaign were printed in Sales Management for February 15)

Gillette Pockets a \$4,000,000 Loss to Play Ball With Its Dealers

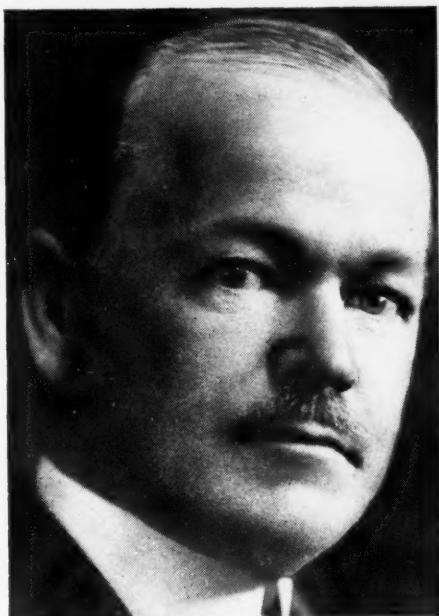
BY LAWRENCE M. HUGHES

A NEW razor, "designed" by 27,000 customers, to be sold through 150,000 outlets in the United States and later throughout the world, and to be advertised in a campaign to cost \$7,500,000 in this country alone, and which cost hundreds of thousands of dollars in production and distribution adjustments before any sale was made, will be introduced March 6 by the Gillette Safety Razor Company.

Perhaps the biggest item of preliminary expense was a loss of about \$4,000,000 in profit which the company incurred in the last quarter of 1929 and the first quarter of 1930. Production was virtually shut down last fall and the company was endeavoring to clear its dealers' shelves of all the old stock before the new razors and blades were put on the market. Gillette is offering dealers equitable adjustment terms on any old stocks of its razors and blades they may have on hand up to April 15. None of the old stock, however, will be taken back.

In the first nine months of the year Gillette's earnings were \$12,342,513, Frank W. Fahey, vice-president, general manager and for the last thirteen years active head of the company, told SALES MANAGEMENT. This was about \$1,200,000 more than for the same period in 1928. With large Christmas contracts in the offing, Gillette's profits for the year would have been about \$18,000,000. A bit more emphasis on the old line might have achieved it. But the company purposely cautioned its dealers against overbuying. It told them that a new razor and blade, of improved design, would be introduced in the spring—although it was unable to go into details of the design at that time—and urged their cooperation and patience. As a result the estimated annual profits of \$18,000,000 were reduced to \$13,581,683 and the year's sales volume was cut down 25 per cent.

"We believe," Mr. Fahey continued, "that our business and that of our trade will prove ultimately more profitable because of this policy. We are backing it with large investments in new machinery and with an increase of 50 per cent in our advertising pro-



Frank W. Fahey

gram. This program, incidentally, has been slightly enlarged since it was announced in SALES MANAGEMENT and other publications a few weeks ago. Both the magazine and newspaper lists have been increased and the campaign as now scheduled will run in forty magazines, in newspapers of more than 200 cities and in upwards of a hundred foreign-language newspapers. It will be divided between these two media and dealer helps."

The most unusual feature of the new blade is the fact that it has no corners. It is not rounded—the corners simply are not there. It was devised as a result of an inquiry made by Gillette and by its advertising agents, Batten, Barton, Durstine & Osborn, among 27,000 men. There had been some complaints about blades and the company thought the inquiry would reveal the principal causes of them.

It was found that many shavers dropped their razors, which fell usually on the corners and became bent. These irregularities, although often imperceptible to the eye, did not improve the customers' shaves or their early morning disposition. It was determined to find a way to

leave off the corners. It was, as Mr. Fahey explained, somewhat like the story of the Irishman who had found a way to prevent train wrecks. "It's usually the last car that gets hit," he said. "Sure, and why don't you leave it off?"

Gillette did that. Where the corners of the blade were before there is a clamp which holds two of the parts of the razor together. There are no unprotected surfaces. A long slot down the center of the razor also tends to make the blade more flexible.

Another feature to be emphasized in the advertising—it will start in five full-color pages in each of a number of national weeklies—is the rust-resisting quality of the razor and blades. This, it is believed, will eliminate the annoyance of drying the razor after it has been used.

"Fundamentally, however," Mr. Fahey explained, "the Gillette razor has not been changed since King C. Gillette, president of our company, turned out the first safety razor twenty-eight years ago. I have in my home the first three razors which Mr. Gillette made. The other morning I brought out Number 1, put in one of the new type blades and gave myself a perfect shave with it. I don't know of another product which is essentially just as good now as when it was first introduced."

Although the new blades can be used in the old razors, the old blades cannot be used in the new razors. This is intended to prevent or discourage imitation of the new blade. It will also provide with new blades people who will continue to use their old razors. The new razor, like the old, will be gold plated and the price will be the same—\$1. The price of the blades will also be the same—\$1 for a box of ten; fifty cents for five.

Distribution of the new products to the trade began last Saturday. It is being carried out through jobbers, chain stores, department stores and a variety of other outlets. Production on them started January 1. By March 1, Mr. Fahey said, the company will be making 80,000 razors and 2,700,000 blades a day, on a six-day-a-week basis.

Gillette today makes more safety razors than all other makers combined. It produces 80 per cent of the razors

(Continued on page 358)

What the Department of Commerce Contributes to Trading Area Study

With a review of, and comment on, the International Magazine Company's new book, "The Trading Area System of Sales Control" (SALES MANAGEMENT, February 1, 1930), this magazine opened a discussion of the subject of marketing areas in the belief that sales executives need and want a better understanding of this important phase of marketing. Comments of various marketing and research executives will be printed as the discussion continues. S. E. Conybeare of the Armstrong Cork Company and Everett R. Smith of the Manternach agency started the ball rolling with their contributions to last week's Survey of Surveys.

BY WALTER MANN

ANY attempt to present the current thought on the subject of "trading areas," "marketing areas" or "zones of influence," as various authorities choose to call them, would hardly be complete without a discussion of the 550-page "Market Data Handbook of the United States" by Paul W. Stewart of the Bureau of Foreign and Domestic Commerce. This is an exhaustive work published late in 1929 by the bureau.

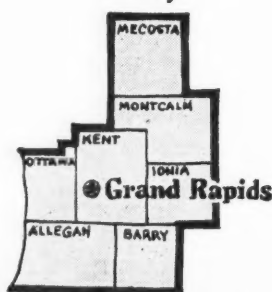
Described in its foreword by O. P. Hopkins, acting director of the bureau, as "the result of an effort to assemble for each of the 3,073 counties of the United States statistical facts indispensable to an appraisal of markets in the profitable distribution of goods," this book has had general endorsement. Wisely refraining from taking a final stand in the question of how these factors are to be used in specific instances, and apparently not desiring to endorse any one method of area delineation—not even its own "Wholesale Grocery Areas"—above another, it also says, "The material is so organized that it may be applied to specific market problems; the selection and interpretation of the data in any particular case, however, must be done by the individual user."*

The choice of this Market Data Handbook to follow the presentation of the International Magazine Company's system of sales control (SALES MANAGEMENT, February 1, 1930) in our discussion of trading area delineation

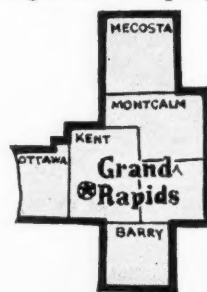
is particularly appropriate, in that the two prime movers in the earlier described system (i.e., F. K. Anderson and L. J. McCarthy) are also generous contributors to the Handbook (1928 circulation figures of fifteen national magazines compared by counties. SALES MANAGEMENT, August 24, 1929). Messrs. Anderson and McCarthy have even permitted an arrangement of their unique system of area delineation along county lines, so that all data in the handbook will be

The Grand Rapids area as shown in the Wholesale Grocery Study and the Batten, Barton, Durstine & Osborn map of trade areas is the same. The Grand Rapids Retail Shopping Area of the J. Walter Thompson Company only differs from the International Magazine Company's retail area by one county. On the other hand, the Pittsburgh areas are as different as day and night. What is to be done about reconciling these differences?

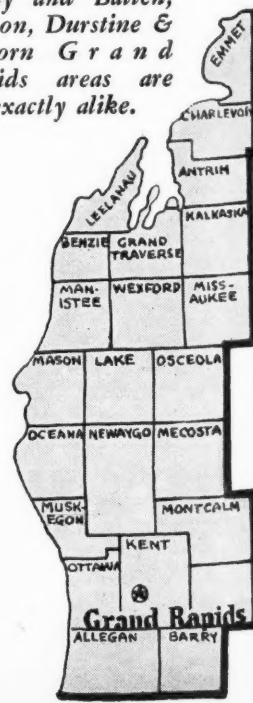
J. Walter Thompson area adds Allegan County.



International Magazine Company



Wholesale Grocery Study and Batten, Barton, Durstine & Osborn Grand Rapids areas are exactly alike.



applicable to their system on a more directly comparable basis. Hence the Market Data Handbook logically follows at this time.

Although the wording of the comments in the introduction is most skillful in its avoidance of controversial points, it leaves no question in the reader's mind as to the department's favoring of the county rather than the "sub-centers around cities" method of data presentation. It says: "In the quest for information, not only Government sources were called on, but also private business. Of course it was not possible to publish all the data which have been collected to date, but efforts were made to include as much basic information regarding counties as possible. Obviously there has been a great deal of material which has been compiled relating to states or to cities, but the state was considered too large a marketing unit on the one hand and the city too limited on the other hand. In the process of selection the objective has been to confine the statistics to those which would be comparable for all counties and which would be most representative in their usefulness."

(Continued on page 367)

*The italics are our own—indicating the keynote theme of the article.

"The Rich Markets of NORTH EASTERN OHIO"

A Book of Facts on These
7 Important Trading Centers
Available, Free

SEVEN important cities and their trading areas are described and discussed individually in this new and comprehensive study of north eastern Ohio. Enumerations of the more important retail and wholesale outlets; detailed analyses of potential purchasing power, per capita wealth; volume of income, bank deposits, annual payroll, auto and school registrations—and a wealth of other figures extremely valuable to buyers of advertising space are given for each city.

Ten important studies made by America's most authoritative market analysts, and illustrated by numerous maps, are printed here in detail.

Containing valuable market facts, compiled solely to give unbiased information to executives seeking adequate coverage and distribution in north eastern Ohio, this terse, compact 48-page manual warrants a permanent place in the file of every sales and advertising manager in America. Copies of "The Rich Markets of North Eastern Ohio" are free as long as the supply lasts. Write for yours today!



"The Rich Markets of North Eastern Ohio", 8½ by 11", 48 pages, flexible cover, convenient for filing and handy reference.

The Cleveland Press

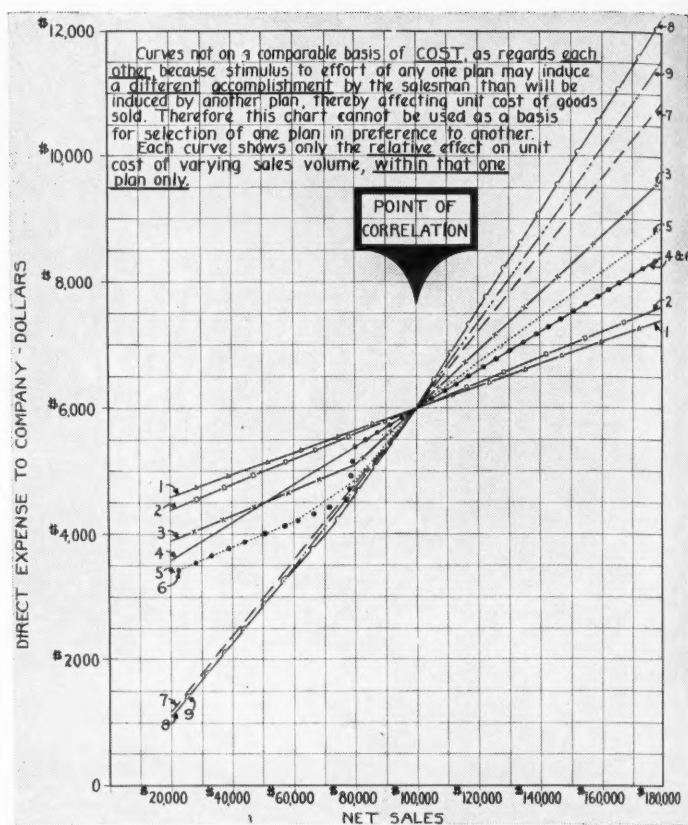
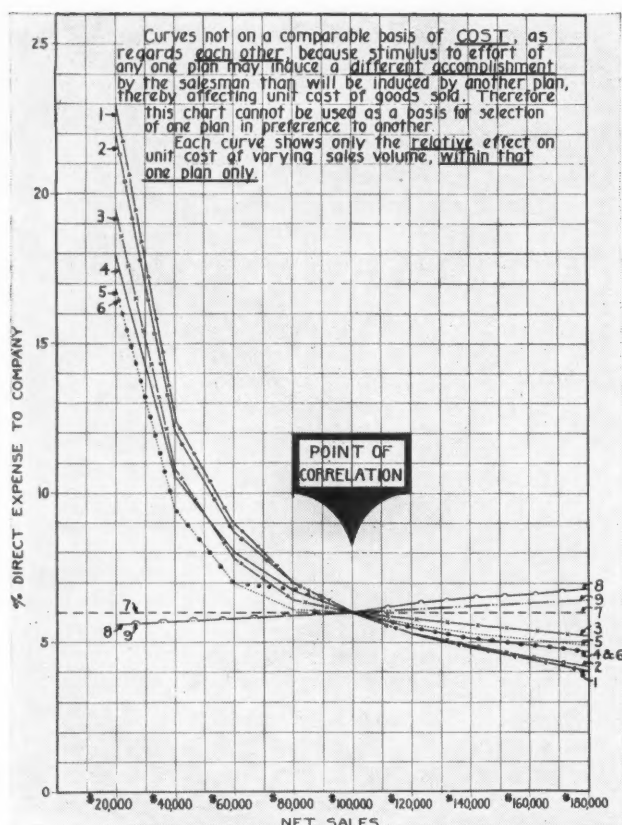
A Scripps-Howard Newspaper

National Advertising Department
of Scripps-Howard Newspapers
230 Park Avenue, New York City



Member of the Audit Bureau of
Circulations, of the United Press,
and of Media Records, Incorporated

CHICAGO SAN FRANCISCO LOS ANGELES DALLAS DETROIT PHILADELPHIA BUFFALO ATLANTA



- | | |
|---------|--|
| 1 —△—△— | SALARY, TRAVELING EXPENSE AND BONUS ON LOWERED SALES COSTS |
| 2 —□—□— | SALARY AND TRAVELING EXPENSE |
| 3 —x—x— | SALARY, TRAVELING EXPENSE AND BONUS ON NET PROFITS |
| 4 ——— | SALARY, TRAVELING EXPENSE AND COMMISSION |
| 5 ——— | SALARY, TRAVELING EXPENSE AND BONUS ON QUOTA ATTAINMENT |
| 6 ····· | SALARY, TRAVELING EXPENSE AND BONUS ON SALES VOLUME |
| 7 ——— | STRAIGHT COMMISSION |
| 8 ——— | STEP COMMISSION |
| 9 ——— | SLIDING COMMISSION |

How to Find the Best Method for Paying Your Salesmen

BY LINCOLN LOTHROP*

Secretary and Director of Merchandising, Bigelow, Kent, Willard & Company, Inc., Boston

IN this article, the fourth and last of a series, three additional compensation plans are considered in detail. They are: group commission plan; salary, traveling expense and arbitrary rating bonus plan; and salary, traveling expense and bonus, based on relative performance. The charts accompanying the article show a comparison of the entire group of compensation plans by direct sales expense both in dollars and percentages.

The best known plans for compensating salesmen have been covered in

*This is the fourth of a series of articles by Mr. Lothrop. Others appeared in December 14, 1929, January 18 and February 1 issues.

this series of articles. They fall into seven general groups, as do many other plans not given in detail. Only those plans commonly used have been treated in these articles. A list of the plans that have been considered as to methods, advantages and disadvantages are: straight commission; sliding commission; stepped commission; salary and traveling expenses; salary, traveling expense and commission; salary, traveling expense and bonus on

sales volume; salary, traveling expense and bonus on net profits; salary, traveling expense and bonus on quota attainment; and salary, traveling expense and bonus on low selling expense.

Group Commission Plan

Tables I and II show the development of Group Commission Plans.

Merchandise is divided into groups A, B, C and D, of which the order

d

- | | |
|--------------------------------|----------------------------|
| 1. The Detroit News | 6. Baltimore Sun |
| 2. New York Times | 7. St. Louis Post-Dispatch |
| 3. Chicago Tribune | 8. Los Angeles Times |
| 4. Washington Star | 9. Chicago Daily News |
| 5. THE PITTSBURGH PRESS | 10. Newark News |

Compiled from Media Records Reports

First Again...

...in **PITTSBURGH**

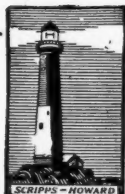
In 1929, THE PRESS published 25,275,703 lines of advertising, 54 per cent more than the 16,453,163 lines published by the second evening and Sunday paper and 155 per cent more than the 9,891,029 lines published by the six-day morning paper.

The Press carried more National lineage than both other papers combined; almost as much local lineage as both other papers combined and 1,196,295 more lines of classified copy than both other papers combined.

The Pittsburgh Press

A SCRIPPS, HOWARD NEWSPAPER

NATIONAL ADVERTISING
DEPARTMENT OF
SCRIPPS-HOWARD
NEWSPAPERS
230 PARK AVENUE, N. Y. C.



MEMBERS OF THE AUDIT
BUREAU OF CIRCULATIONS
... OF THE UNITED PRESS
and of
MEDIA RECORDS, INC.

CHICAGO SAN FRANCISCO LOS ANGELES DALLAS DETROIT PHILADELPHIA BUFFALO ATLANTA

Table I. Group Commission Plan

Assume salesman sells in ratio of desirability: A : B : C : D :: 4 : 3 : 2 : 1.
Rate of commission on A 7%; B 6%; C 5%; D 4%.

	BASIS								
Total net sales	\$20,000	\$40,000	\$60,000	\$80,000	\$100,000	\$120,000	\$140,000	\$160,000	\$180,000
A net sales	8,000	16,000	24,000	32,000	40,000	48,000	56,000	64,000	72,000
B net sales	6,000	12,000	18,000	24,000	30,000	36,000	42,000	48,000	54,000
C net sales	4,000	8,000	12,000	16,000	20,000	24,000	28,000	32,000	36,000
D net sales	2,000	4,000	6,000	8,000	10,000	12,000	14,000	16,000	18,000
A commission	560	1,120	1,680	2,240	2,800	3,360	3,920	4,480	5,040
B commission	360	720	1,080	1,440	1,800	2,160	2,520	2,880	3,240
C commission	200	400	600	800	1,000	1,200	1,400	1,600	1,800
D commission	80	160	240	320	400	480	560	640	720
Total commission	1,200	2,400	3,600	4,800	6,000	7,200	8,400	9,600	10,800
Traveling expense—2%...	400	800	1,200	1,600	2,000	2,400	2,800	3,200	3,600
Net income to salesman	800	1,600	2,400	3,200	4,000	4,800	5,600	6,400	7,200
Direct sales expense to company	6%	6%	6%	6%	6%	6%	6%	6%	6%

of desirability is 4, 3, 2, 1; A being four times as desirable to sell as D. It is assumed in Table I that the salesman sells these products in the order of their desirability, in which case the commissions would be figured at 7, 6, 5 and 4 per cent, giving an average commission of 6 per cent.

However, the most desirable, or profitable items are usually the hardest to sell, and Table II indicates the probable ratio in which items would be sold, with corresponding commissions.

The advantages of the Group Commission Plan are:

Same as Straight Commission Plan, except for records.

Emphasis is placed on the items which it is desired to sell.

The disadvantages of the Group Commission Plan are:

Same as Straight Commission Plan,

except as regards proportion of high and low profit sales.

Records are somewhat complicated to maintain.

Salary, Traveling Expense and Arbitrary Rating Bonus Plan

In Table III this plan is developed for a group of ten salesmen. The sales manager decides the relative standing of the men, and then, in terms of the best man (or the poorest), assigns a factor which governs the amount of bonus to be paid.

The advantages of the Salary, Traveling Expense and Arbitrary Rating Bonus Plan are:

Same as Salary and Traveling Expense.

Salesmen attempt to carry out the policies of the house.

The disadvantages of the Salary,

Traveling Expense and Arbitrary Rating Bonus are:

Same as Salary and Traveling Expense.

Salesman may cater to the whims of the individual assigning bonus ratings and substitute bootlicking for sales effort. In December the sales force are "good boys, so that Santa Claus will remember them." (An actual quotation from a salesman.) Lord help the man who "pulls a bloomer" in December!

Salesmen become suspicious of the good faith of bonus awards.

Salary, Traveling Expense and Bonus, Based on Relative Performance

This plan is developed in Table IV for a group of ten salesmen. Certain
(Continued on page 364)

Table II. Group Commission Plan

Rate of commission: A = 8; B = 6.6; C = 6.2; D = 4.7.
Ratio of desirability: A : B : C : D = 4 : 3 : 2 : 1.
Ratio of probability: A : B : C : D = 12 : 24 : 30 : 34.

	BASIS								
Total net sales	\$20,000	\$40,000	\$60,000	\$80,000	\$100,000	\$120,000	\$140,000	\$160,000	\$180,000
A net sales	2,400	4,800	7,200	9,600	12,000	14,400	16,800	19,200	21,600
B net sales	4,800	9,600	14,400	19,200	24,000	28,800	33,600	38,400	43,200
C net sales	6,000	12,000	18,000	24,000	30,000	36,000	42,000	48,000	54,000
D net sales	6,800	13,600	20,400	27,200	34,000	40,800	47,600	54,400	61,200
A commission	192	384	576	768	960	1,152	1,344	1,536	1,728
B commission	317	634	950	1,267	1,584	1,901	2,218	2,534	2,851
C commission	372	744	1,116	1,488	1,860	2,232	2,604	2,976	3,348
D commission	320	639	959	1,278	1,598	1,918	2,237	2,557	2,876
Total commission	1,201	2,401	3,601	4,801	6,002	7,203	8,403	9,603	10,803
Traveling expense—2%...	400	800	1,200	1,600	2,000	2,400	2,800	3,200	3,600
Net income to salesman	801	1,601	2,401	3,201	4,002	4,803	5,603	6,403	7,203
Direct sales expense to company	6%	6%	6%	6%	6%	6%	6%	6%	6%

Calculating ratios to give 6 per cent at one "Total sales" give 6 per cent at any "Total Sales" if ratios of probability are not changed.

How Are We to Set Price Policies for Price-Mad Prospects?

The conclusion to an article in last week's issue

BY JAMES H. WARBURTON

Sales Manager, Marietta Chair Company, Marietta, Ohio

THERE'S one fundamental upon which we can always rely, viz: price cuts must either come out of the product itself or the bank account, unless lower production or distribution costs are obtained through economic means. But this is not a discussion of how lower costs are or may be obtained, with resultant lower sales prices, although a large percentage of business concerns, the smaller ones particularly who go in for price-cutting, are ignorant of what their actual costs are and how far they dare go in cutting prices. This is, perhaps, the gravest of all unsound practices.

Advantage of Location

There are any number of concerns, in the staple fields particularly, who occupy the position as indicated by the second half of the first classification to which I've referred—those holding an advantage because of a peculiar condition. Take for instance those located strategically, either from a raw material or labor standpoint. How can one less favorably situated hope to compete? It can not, as a rule, and show a profit.

The furniture business may be drawn upon for a liberal assortment of examples. But here's one which should serve our purpose: for many years most furniture, of all grades, was produced in the Northern states, before enterprising men in the South, especially in North Carolina, conceived the practical idea of combining their near-at-hand abundant supply of lumber, cheap labor and power into a decided advantage for the manufacturer of furniture. They went in at the outset for lower grades of staples almost entirely. Their first market was naturally the Southern states, but before long they invaded other markets, right under the noses of Northern manufacturers.

How some frightened Northern producers attempted to meet the situation is history and fairly well known. There was much price cutting, with the result that production standards

were lowered and the market, in time, became glutted with cheap furniture—a class of product commonly known in the trade as "plunder." To dwell upon the consequences would take too much space, but the toll of failures and readjustments has been pretty heavy during recent years. The way was obviously not the correct one for meeting this price situation.

At least one concern, of which I know something, went about it differently and has won out. It, for a half-century or better, had made a low-priced but strongly built staple line. It held an enviable reputation in the trade, both as to product and stability. But its field and price class were being heavily attacked by the new competitors. It was a temptation to shoot back, but instead the heads took what has proven to be a sane and forward view—they improved their product putting it safely above the price range of would-be competitors. In other words, they moved up onto a higher level, where it wasn't overcrowded—the price scramble raged below, which, like a "free-for-all" attracted newcomers right along.

Getting Away from the Crowd

This concern calculated that it would take years for the new furniture-producing centers to train workmen and otherwise build up to the point of making the higher grades and by that time the natural leveling out process should have done its work. It's true, however, that the Southern factories have made marked progress in making better merchandise and, at the same time, holding somewhat the edge, as relates to certain items of cost, but whenever they have moved up a peg the factory which I have in mind has followed suit, until today it employs the services of some of the best available designing talent and merchandising ability to create and sell merchandise possessing style, individuality, superior merit and, as far as possible, in a price range where the competition is least severe.

The obvious lesson is that this concern

had the vision and nerve to get away from the crowd and do something original, or (if that's too strong a term) different and, by so doing, carved for itself a new niche in the scheme of things. It is still in business and continuing the course just described.

My second general classification, in which price resistance falls, offers almost limitless opportunity for discussion. There are so many desirable products which must be sold at prices scarcely within reach or somewhat beyond the willingness or ability to pay of those constituting their active or potential markets. We might generalize to this extent, in aiming at a logical deduction: if the product is desirable and a market exists, the route to profitable sales is clearly that of better salesmanship.

Better Salesmanship Needed

Such a product in such a market need not go down to defeat, as has been and is constantly being demonstrated. Of particular note are these: the automobile, radio, electric refrigerator, vacuum cleaner, electric washer and the various high-class, mechanical office specialties, etc., all of which cost real money but are so desirable and appeal so strongly to the imagination and emotions that they can be and are sold in spite of the price resistance. But it takes a much higher brand of salesmanship to do the selling than is applied by the common garden variety of order taker or retail clerk.

But there are other high-grade and priced products which possess less appeal to the "inner-senses" that are sold at a profit by applying the same high type salesmanship. I have in mind one outstanding instance to illustrate my point:

Several years back a concern, which I knew well, began manufacturing a specialty line to retail within the \$150 to \$500 range, depending upon size, capacity, etc. The product served a real need, but if presented on the basis of mechanical perfection and price would not make much of an impression upon the mind of the prospect. The manufacturer went to the dealer with it, obtained pretty fair distribution, but it was sold to the user largely as "just another so-and-so" to take the

(Continued on page 363)

The Cigar Attempts a Comeback; Advertising Budgets Increase

If aggressive and intensive advertising, aided by an increase in machine production and better merchandising methods can do it, the cigar industry will win back this year part of the business which the increasing popularity of cigarettes in the last decade has taken from them.

Advertising appropriations will be generally higher than ever before—several ranging from \$500,000 to \$1,500,000, SALES MANAGEMENT learns. Sixty per cent of American cigars are now made by machine and other manufacturers are changing over as fast as machines are available.

These factors, together with greater stability of the industry and the popular approval given cigars wrapped and sealed in transparent materials, gives cigar manufacturers a better outlook than they have had for a long time. It is only in the last three months that this type of wrapping has come into general use and now machines are being perfected that make individual wrapping and sealing more economical. Sales increases resulting from this innovation cannot be determined for several months, but it is generally conceded that it will be large.

Cigar manufacturers have been studying the advertising methods used so successfully by leading cigarette-makers and now several campaigns are under way that call attention to ideas never before stressed in cigar advertising.

The American Cigar Company continues its "spit" campaign on its five-cent Cremo brand, directed at hand-made cigars, and reports constantly increasing sales. A national newspaper advertising campaign is planned to start in a few months, at which time the company expects to have dealers in all sections.

A five-cent cigar, El Toro, wrapped and sealed in Cellophane, will soon be placed on the market by the Porto Rican-American Tobacco Company. This will be the first time a five-cent cigar has appeared in this manner.

Advertising schedules on El Toro will be formulated as soon as it has had an adequate test.

The trade has generally frowned on any attempt to create a market for cigars among women smokers, although in many countries such a market does exist. A Hollywood concern, however, is reported to be making a small gold-tipped cigar designed for the woman smoker.

Waitt & Bond will spend about \$500,000 in advertising this year and

General Cigar Company \$1,500,000 on a campaign in city newspapers on its William Penn brand alone.

The American and Congress companies also plan larger appropriations. The style theme will form the new note in national advertising on Robert Burns cigars, made by General Cigar Company. The long, narrow panatela shape cigar is said to harmonize better with the contour of the faces of young men than do thicker and more bulky ones.

A number of sales executives questioned on Cremo's "spit" campaign told SALES MANAGEMENT that it had done little harm to the industry. Several contended that the effect will be to increase cigar smoking and result in higher sales volumes for all manufacturers. They point to the fact that confectionery sales gained during Lucky Strike's campaign on sweets last year.

Jantzen Knitting Mills Will Expand Abroad

Jantzen Knitting Mills, Portland, Oregon, has purchased a six and one-half acre tract in London, upon which it will build a new factory to supply European markets, Irwin S. Adams, assistant secretary, announced this week. John R. Dodson, vice-president, will sail for England next month to supervise its construction, and the company will make deliveries from the plant early next year.

Incorporated in 1910, Jantzen has had national distribution for several years. The company's sales last year were about 25 per cent above 1928, and the export sales 50 per cent more—aggregating about \$700,000.

Budd Forms National Service Station Chain

Edward G. Budd Manufacturing Company, Philadelphia and Detroit, has completed a nation-wide chain of 500 service stations to provide for the needs of 6,000,000 Budd automotive bodies now in use in the United States. The chain will soon be extended on an international scale.

Existing establishments adequately equipped, particularly for welding, have been appointed in this country and a corps of instructors has toured the country teaching them the proper methods to repair an all-steel body.

Start National Copy on Delcogas Soon; Educate Dealers

National advertising on Delcogas, a self-contained gas supply unit for "those beyond the city gas mains," will be launched next month by Delco-Light Company of Dayton, subsidiary of General Motors Corporation, following a test campaign in newspapers of Southern Ohio.

Magazines will be used in the national program.

Distribution is being effected through three types of outlets, H. W. Arnold, general manager, told SALES MANAGEMENT—regular Delco-Light dealers, "some plumbers and some exclusive Delcogas dealers." A series of Delcogas schools is now in progress throughout the United States training dealers on sales, Mr. Arnold explained. The schools are being conducted by seven crews of factory instructors.

"In addition to homes and business establishments off the gas mains," Mr. Arnold pointed out, "the product is available for camps, resorts, barbecues, lodge rooms and other places where fuel is needed temporarily. Delcogas consists of a compressor, operating in conjunction with the tank, which, with permanent applications, is buried underground outside the home of the user. This tank contains liquid gas, which is converted into vapor gas by operation of the compressor."

Borden Company Tests Paper Containers

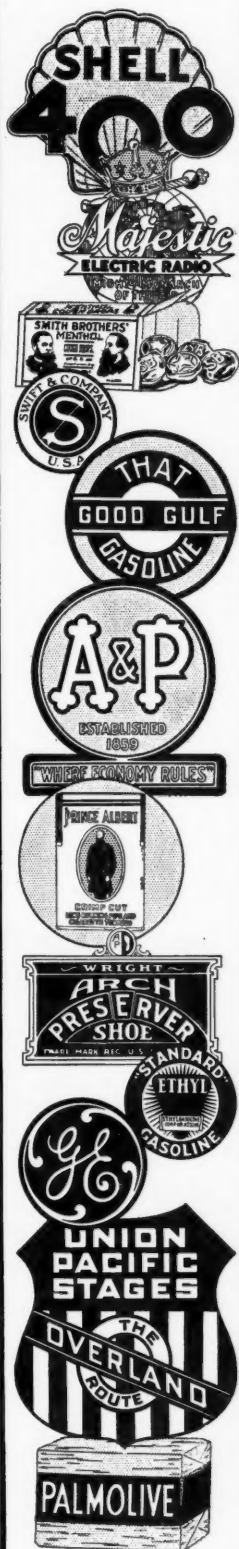
Borden's Farm Products Company, New York, has started the distribution of milk in individual paper containers in a test at the DeWitt Clinton High School there.

Sheffield Farms Company in the last year has distributed milk in 4,000,000 paper containers in New York City—2,700,000 of these in the last six months. Sheffield distribution started in January, 1929, through forty-four stores in the Bronx. The containers are now being used in 1,500 stores extending down to the midtown section of Manhattan.

The containers are made by the Sealed Containers Corporation there. Borden and Sheffield are the two largest distributors of milk in the world.

Carpet Institute to Move

Headquarters of the Institute of Carpet Manufacturers of America will be moved July 1 from Washington to New York City. Irving S. Paull is president.



IN 3 MINUTES HE GAVE US A \$20,000 IDEA

IN the first minute of his presentation the Meyercord representative showed us \$17,000 worth of unused advertising and identification space on our own properties. In another minute he pointed out a waste of \$3,000 in our current methods of identification. And, in the third, he demonstrated how we could save that \$20,000 and make our program immeasurably more effective by the use of decalcomania transfers.

Now we are realizing the advantages of Meyercord standardization. In the Meyercord Service Department a hundred specialists are engaged in publicizing our name. From the preparation of a new trade-mark to its reproduction in a thousand new places, every phase of our identification is now in expert hands. Never before, with the use of haphazard, expensive media, have we obtained the uniform, colorful, adaptable duplication that decalcomania makes possible.

Through the use of this single uniform medium, our trade-mark has gained amazingly in effective identification, and, more important, a sharp increase in sales has indicated an immediate public response.

Every trade-mark on this page is a proof of the practical results achieved by Meyercord Decalcomania Products. Achieve the same profitable distinction for your products. A Meyercord representative will give you a prompt explanation of this thorough identification service.

THE MEYERCORD CO
120 S. La Salle St. Chicago, Ill.



MEYERCORD TRANSFERS

But that was yesterday—

Yesterday the marketing of goods was largely a matter of producing enough to meet demand.

Today it's a matter of finding enough demand to keep machines and men in motion.

Yesterday markets like Chicago were covered on a mass basis—a sale missed here and there was all in the game.

Today circumstances force the closest scrutiny of such a market's remotest corners—and such scrutiny requires a minutely detailed knowledge of that market.

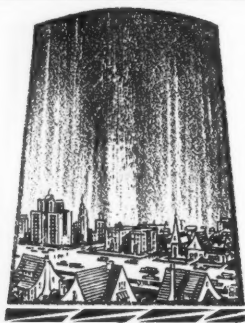
Such knowledge of the Chicago market is best available through the Chicago Evening American. Challenge the Boone Man to prove that to you.

CHICAGO EVENING AMERICAN

a good newspaper

Now in its ninth year of circulation leadership, in Chicago's evening field, the Chicago Evening American gives to those who use it wisely, unequalled access to Chicago's great home market.

National Representatives:—RODNEY E. BOONE ORGANIZATION



It's a fact— The Booth Newspapers Offer Complete Coverage of a Big Market at One (Low) Cost

Investigation will reveal that the Booth Newspaper Area offers one of the greatest opportunities for reaching a responsive market of metropolitan potentialities with a comparatively small investment.

*Such investigations
are invited.*

**Grand Rapids Press
Flint Daily Journal
Saginaw Daily News
Kalamazoo Gazette
Jackson Citizen Patriot
Bay City Daily Times
Muskegon Chronicle
Ann Arbor Daily News**

Combined Net Paid Circulation as
Reported to A.B.C. for Period
Ending Sept. 30, 1929

281,668

I. A. KLEIN
50 East 42nd St.
New York

J. E. LUTZ
180 N. Michigan Ave.
Chicago

Booth Newspapers, Inc.

Central Office, 2500 Buhl Bldg., Detroit
or any newspaper listed

\$6,000,000 Advertising Program Planned for G. E. Refrigerators

The refrigeration department of the General Electric Company will invest \$6,000,000 in advertising this year—by a considerable margin the largest appropriation the company has made for this product since it was introduced three years ago, Walter J. Daily, sales promotion manager, told the general convention of the department at Cleveland this week.

The campaign will be run in magazines, newspapers, the radio, posters and miscellaneous media, Mr. Daily said. There will also be a cooperative newspaper campaign with dealers. Magazines, however, will be the "basic" medium.

"The story of the General Electric refrigerator will be told by our 8,000 salesmen this year by means of a pocket projector motion picture which can be shown in homes and elsewhere at any time," P. B. Zimmerman, sales manager, said in an address.

Sales of General Electric refrigerators increased 70 per cent last year and quotas are correspondingly higher for 1930, Mr. Zimmerman continued. "Nine per cent of American homes now have electric refrigeration. Discounting 41 per cent of the families which have limited purchasing power, there remains a market of 10,000,000 homes."

A survey by the company in thirteen widely separated parts of the country, he went on, "showed that 78 per cent of those interviewed said they had seen General Electric advertising. Of these, 41 per cent had seen it in magazines, 32 per cent in newspapers, 10 on posters and 16 in direct mail."

The survey found that 7 per cent of the families used no refrigeration. Of this class, "as differentiated from the total of American homes," Mr. Zimmerman added, "72 per cent answered that they employed ice, 21 per cent mechanical refrigeration."

Mr. Zimmerman and T. K. Quinn, general manager, praised the work of 150 of the department's star salesmen who attended as guests of the convention. This group comprises the "cabinet members" of General Electric's Toppers Club.

Warren Promotes Opdyke

William K. Opdyke has been promoted from advertising manager to advertising and sales promotion manager of the Warren Telechron Company, Ashland, Massachusetts, maker of electric clocks, synchronous motors and instruments. N. W. Ayer & Son is now directing the Warren advertising.

New York Buying Groups "Stagger" Salesmen

Several New York companies inaugurated this week a "stagger" system for salesmen who call on their buyers, with the object of eliminating congestion and of giving the salesmen a better opportunity to display their goods. The principal feature of the plan provides salesmen without samples to be seen from 9:30 to 10:30 in the morning and the others in the afternoon.

Associated Dry Goods Corporation; Associated Merchandising Corporation; Hahn Department Stores Corporation; Kirby, Block & Fischer and Felix Lienthal & Company have already put the plan into operation.

Garment Trades Unite to "Dress Up" Nation; Stimulate Buying

To eliminate hand-to-mouth buying, representatives of the various garment industries met in New York last week to work out plans for a nation-wide promotion program.

The program is under the direction of the Associated Dress Industries of America, with David N. Mosessohn as executive chairman.

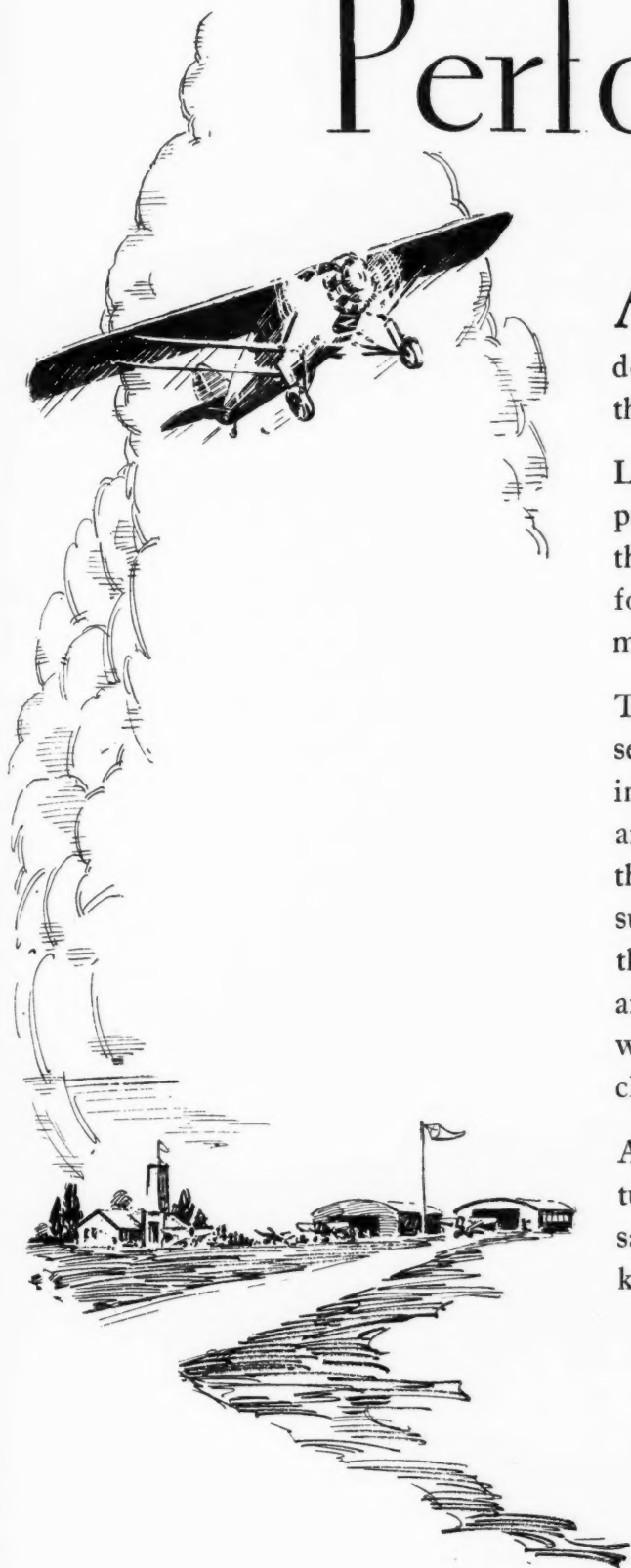
A Silk Council has been formed as a permanent division of the Dress Industries and a Retail Council will be organized later.

Although definite methods have not yet been determined, Mr. Mosessohn told SALES MANAGEMENT, advertising is contemplated on a national scale. An important phase, he added, will probably be a "Dress-Up Week" this spring, featuring summer modes.

Dress, silk and affiliated interests did a wholesale volume in 1929 of about \$800,000,000, Mr. Mosessohn pointed out. Translated into retail figures, the volume is more than \$1,000,000,000. Owing to the hesitancy of buying on the part of dealers and consumers, as a result of the Wall Street crash last November, he said, it appeared doubtful whether or not the 1930 volume would be any larger. The purpose of the new movement is to prove that conditions are fundamentally sound and that the present extreme caution in buying is not justified.

Robert B. Bolles has resigned as national advertising manager of the Janesville (Wisconsin) *Gazette* to become advertising manager of the *Rockford* (Illinois) *Republic*.

Performance...



A PLANE is designed and built to meet a specified standard of performance in a definite service . . . and its *performance* in that service determines its success.

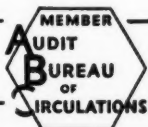
Likewise *Airway Age* is designed and edited to perform a definite service . . . to furnish men throughout the industry with authoritative information on the practical, scientific and commercial phases of every branch of aviation.

The success of *Airway Age* in performing this service is shown by its steady and rapid growth in number of paid-in-advance mail subscribers among the men within the industry. The fact that within a year its growth in number of these subscribers was over 200 per cent demonstrates the ever increasing preference for *Airway Age* among the men who specify and buy, and its widespread influence in the selection and purchase of aeronautical products.

As a result, *Airway Age* presents to manufacturers a most effective medium for telling *their* sales story regularly month after month to the key men of the industry.

Airway Age

FOUNDED 1919



A Simmons-Boardman Publication

30 Church St., New York
Cleveland

Washington, D. C.

105 W. Adams St., Chicago
San Francisco



BUSINESS in 1930

Will not come easily

Frequent announcements, from official and other sources, declaring that general business conditions are good, are made. Nevertheless, it is generally conceded that every effort must be made if 1930 Sales Volume is to approach that of 1929.

For certain classes of merchandise the

Premium Inducement

will be found exceedingly effective in building sales volume.

Consumers

When a trade-marked product is of a nature that calls for small, but frequent, individual sales, an exceedingly modest premium allowance per package will create and maintain a large consumer's demand. Such products as coffee, tea, flour, cereals, bottle goods, soaps, canned goods, etc., profit largely from this form of advertising.

(Ask for Booklet No. 1)

Sales People

Premium coupons placed in cases of such products, for the benefit of those who sell the goods, will cause the latter to "get behind" such brands.

A word of recommendation from the dealer or clerk has a great influence with the customer. A Clerk's case Premium Coupon will create active interest on the part of those meeting the consumer.

(Ask for Booklet No. 3)

Our clients carry no premium stocks and pay only for premiums delivered to their customers. We sell at wholesale prices.

Among nationally known companies served by us, some of them for more than 20 years, are:

Lever Brothers Company, J. B. Williams Company, McCormick & Company, Union Supply Co. (U. S. Steel Corp.), International Magazine Co. (Hearst Publications), Sheffield Milk Co., etc.

When writing, please state nature of business

The Premium Service Co., Inc.

E. W. PORTER, President

7 West 18th St. New York City

Stetson "Walks First Ten Miles" in New Shoe Campaign

A mechanical "breaking in" process which eliminates a good deal of the discomfort in a new pair of shoes will be emphasized by the Stetson Shoe Company of South Weymouth, Massachusetts, in an advertising campaign to start March 15 in large city newspapers and magazines. The campaign will also use business papers and dealer literature. Each advertisement will carry the slogan, "Stetson Walks the First Ten Miles."

The copy will be whimsical. "Concentrate on your shot—Not on your feet!", Stetson will advise golfers. "The Stetson shoes have been pre-walked by a scientific process in manufacture. They have been thirty-six holes before you ever slipped your feet into them." Other copy will cover the complete line of the company's shoes, from sports to dress. The newspaper schedule has not yet been completed.

William H. Rankin Company, New York, is directing.

G. M. C. of Canada Names Sales Heads

W. C. Herring has been appointed sales promotion manager; J. C. Ross, manager of dealer finance and business management, and W. C. Marshall, manager of car fleet sales of General Motors of Canada.

Mr. Herring has been sales promotion manager of General Motors Corporation. Mr. Ross was formerly manager of dealer finance and business management for the Chevrolet division; Mr. Marshall was in the Canadian organization as assistant general sales manager of the G.M.C. Truck division.

General Motors Starts Time Sales of Planes

Arrangements have been made for financing the sale of Fokker airplanes on the deferred payment plan, Roy E. Russell, assistant general sales manager of the Fokker Aircraft Corporation of America, affiliated with General Motors Corporation, announced at the International Aircraft Exposition at St. Louis this week. The sales will be financed by the General Motors Acceptance Corporation.

The larger General Motors dealers throughout the country are expected to sell Fokker planes.



William Robert Wilson

Reo Elects Wilson Manager; Scott Continues Head

William Robert Wilson, former vice-president of the Irving Trust Company of New York, has been elected general manager and a member of the board of the Reo Motor Car Company, Lansing, Michigan. He has also become a large stockholder.

Mr. Wilson has been identified with the automotive industry for many years—from 1911 to 1921 with the Studebaker Corporation and Dodge Brothers. In the latter year he was elected president of the Maxwell Motor Corporation, which, in association with Walter P. Chrysler, he reorganized as the nucleus of the present Chrysler Corporation.

In 1927 Mr. Wilson served as receiver's executive of the Murray Body Corporation of America, Detroit, and was elected chairman of its board. He is president and one of the largest stockholders of Allied Motors Industries, Inc., a holding company; and also chairman of Copeland Products, Inc., electric refrigerators.

Richard H. Scott continues as president and operating head of the Reo Company, although relinquishing the duties of general manager to Mr. Wilson.

W. A. B. Hanchett, president of the Reo Motor Car Company of California, has been appointed manager of the entire Western zone, in addition to his present duties.



To a national advertiser who faces the problem of SUBSTITUTION*

TRADE MARK SERVICE as developed by the Bell System is now being used by large producers to help solve many merchandising problems — including several phases of the practice of substitution.

This service can be custom-fitted to many individual market situations, and must be so considered before an idea of its value can be reached. However, if any of the following conditions exist, its use will materially aid sales and improve dealer relations:

Certain dealers may be using your good name and product to attract business, thus trading on your national advertising — then encouraging purchase of competing brands.

Substitution may occur simply because consumers go to their regular dealers, who perhaps do not carry your product but are always ready to suggest "something just as good."

Some dealers who may or may not handle your line are servicing it with parts not made or guaranteed by you.

Trade Mark Service, now available through classified telephone directories, minimizes the

substitution evil by directing consumers to your authorized dealers . . . by encouraging all dealers to carry adequate stocks . . . by bringing to the right dealer the full returns from your national advertising.

It is a service that gives the producer more positive control of all factors, down to the final step in selling . . . dealer-customer contact.

★ Various merchandising problems in addition to those discussed here are being successfully met by Trade Mark Service. A special report on its value to your business will be prepared on request, without charge or obligation. Use the coupon below.

(Ask for this Confidential Report)

Trade Mark Service Manager
American Telephone and Telegraph Company
195 Broadway, New York, N. Y.

D-1

Dear Sir: We would be interested in your analysis of certain of our marketing problems and in a report showing the possible application of Trade Mark Service to their solution. Please telephone for an appointment. This request places us under no obligation whatever.

Company _____

Address _____

By _____

"WHERE TO BUY IT"



An additional service in classified telephone directories—bridging the gap between advertising and selling

Statler service



awaits you in six cities

So you get "Statler Service" here, from employees trained in an interested helpfulness to guests.

You get the comforts of radio in your room, a morning paper under your door, running ice water, a bed-head reading lamp, and other "extra" conveniences for which you aren't charged extra.

You get the benefit of rates which are fixed and unchanging, regardless of conditions—and every room's rate is posted, in plain figures, in that room.

And you get a guarantee of your satisfaction, from the time you come in the door.

In any of six cities you can have "Statler Service."

HOTELS STATLER

BOSTON DETROIT
BUFFALO ST. LOUIS
CLEVELAND NEW YORK
[Hotel Pennsylvania]

Gillette Pockets \$4,000,000 Loss

(Continued from page 341)

sold. About 30 per cent of its sale is abroad.

"We have been able to build up this volume by concentrating entirely on two lines—razors and blades," said Mr. Fahey. "Unlike some of our competitors, we have found it unnecessary to make other products. We feel we can do a better job by sticking to our last."

"Although the new products will be sold throughout the country March 6, because of the tremendous production and distribution difficulties involved they will not be introduced abroad until later in the year. In 1931 we hope to be selling them in every country."

Foreign distribution has been built up largely since the war. The American doughboys overseas were good "salesmen." The people and the soldiers of other nations liked their youthful, clean-shaven appearance. From that date the beard was on the wane. American movies and the rapid civilizing progress of the last ten years, particularly in the Orient, have also been factors. In some parts of the Orient the people are grouped into two classes—those who can afford to shave and those who can't.

It has not been necessary to "educate" the people of other lands to use razors. The fact that the more prosperous of their own countrymen are using them, and that America approves the practice is enough for them. These people look up to America, say Gillette executives. In many ways they emulate America. Those who cannot remember or pronounce the name Gillette ask their dealers for the razor with the picture of the man on it.

Gillette will spend in advertising abroad this year about \$2,500,000. That market is still largely untapped.

The expansion abroad will continue to be an important part of Gillette's business.

The new razor and blade, however, backed by an extensive advertising program, it is believed, will give Gillette this year the largest volume of business it has ever had in America as well.

Stone Company to Expand

C. E. Stone Company, Dallas, with fifty-one general merchandise and ready-to-wear stores in Texas and surrounding territory, is planning rapid expansion this year, and expects ultimately to have 1,000 stores. The New York office of the company has been moved to 151 West Fortieth Street, where the buying is handled. C. E. Stone, president, directs the company from the Dallas headquarters.

Gossip

VERNE PRIBBLE, formerly in charge of Station WGN for the Chicago *Tribune*, is now with the Stack-Goble Advertising Agency, Chicago. . . . O. S. BRUCK has resigned as advertising director of the *Beaumont Enterprise & Journal*, Beaumont, Texas, to become vice-president of the Johnston Advertising Company, Dallas.

. . . EDWARD C. BOYKIN, vice-president of the Frank Presbrey Company, New York, and an executive of that agency for eight years, has been elected to the board of directors. . . . MONROE H. SHAW, until recently with Corbett & North, New York marketing consultants, has joined the advertising department of the National Biscuit Company there.

. . . RUTH A. COOLEY, for several years with the Association of National Advertisers in an executive capacity, has joined Barrington Associates, Inc., research engineers, New York, in charge of the reference library. . . . FREDERIC L. HORTON, assistant advertising manager of Munson Steamship Lines for the past five years, has resigned to join the sales department of Leo H. Fuller, Inc., advertising displays, New York. JOSEPH R. DURAND is also with that company, as New England representative.

. . . PAUL H. MYRICK has joined the Philadelphia office of Rudolph Guenther-Russell Law, Inc., as a specialist in bank advertising. . . . ELSIE WILSON, president of the League of Advertising Women of New York, is now with the *Musical Digest*, as general advertising director. Miss Wilson was formerly with the American Radiator Company and more recently with the *People's Home Journal*.

. . . FRANK R. JENNINGS, for sixteen years advertising and business manager of the *Rotarian*, has formed his own direct-mail advertising and sales service at 421 North State Street, Chicago. He will handle advertising copy, house organs, sales letters, booklets, folders and sales helps.

. . . SHAW NEWTON has joined the copy staff of the Erickson Company, New York. He was formerly copy director of the H. K. McCann Company and in charge of market research for the International Nickel Company.

. . . ELIZABETH JOYCE and FRANCE LEYDEN have formed the Joyce Organization, Boston, to handle direct-mail advertising. Miss Joyce is head of the Joyce Letter Shop. Miss Leyden was formerly with the Greenleaf Company, Boston agency.

. . . E. W. WILLIAMS, advertising and sales promotion manager for the Ford Roofing Products Company, Chicago, has resigned to accept a similar position with the Chicago Curled Hair Company.

. . . W. G. RYAN, former Syracuse sales agent, has been promoted to Cleveland sales agent, succeeding W. A. WIKER, now Central divisional and Chicago branch manager, of the Addressograph Company. J. J. MULLIN, former New York senior salesman, succeeds Mr. Ryan at Syracuse.

. . . HUGH M. SMITH is now an account executive with Critchfield & Company. He was formerly with Frank Seaman, Inc., Procter & Collier Company, Inc., and J. C. Oliphant.

. . . HAROLD B. PICKERING is now manager of the industrial division of Edwin Bird Wilson, Inc., New York. In the last ten years he has been with the Gage Publications, James F. Newcomb Company and Rickard & Company.

THIS IS THE OKLAHOMA CITY MARKET

says the
**AUDIT
BUREAU OF
CIRCULATIONS**



The Oklahoma City A. B. C. Trade Area (the white heart) is Oklahoma's first market, no matter what criterion you use. Juggle data as you will, the answer is always the same—the cost of advertising in this market is low, when charged against sales made by the Oklahoman and Times in all 26 counties of the A. B. C. Trade Area. In this area the Oklahoman and Times give Advertisers 16,586 more circulation daily, at half the cost than the combined circulation of all other dailies in the same area, including the third Oklahoma City Newspaper.

Population of the A. B. C. Trade Area, 926,134.

\$464,887,000, or 39.38% of the state's spendable income is in the A. B. C. Trade Area.

About 54% of the state's \$1,460,050,000 raw material value is within the A. B. C. Trade Area.

Number of towns in the A. B. C. Trade Area: From 1,000 to 5,000, 62; 5,000 to 10,000, 5; 10,000 to 25,000, 11; 25,000 to 50,000, 2; over 50,000, Oklahoma City—194,000.

Number of retail outlets in the A. B. C. Trade Area is 10,996, or 51% of the State's total; number of wholesale outlets, according to the limited classification

in the All American Markets Book, is 108, or 38% of the State's total.

Automobile registrations in the A. B. C. Area, 238,321, or 46.2% of State's total.

Revenue from gas tax in A. B. C. Area is \$3,582,808, or 33.9% of the State's total.

Total families with telephones in the A. B. C. Area is 71,276 or 45.6% of the State's total.

Electric consumers in the A. B. C. Area number 78,200, or 40% of the State's total.

Petroleum production in barrels, of the A. B. C. Area, is 189,429,000, or 75% of State's total.

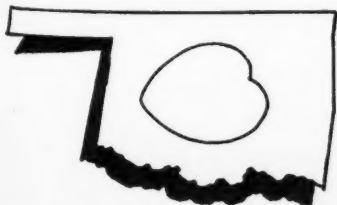
Oklahoman and Times Circulation (January, 1930, average) within the A. B. C. Trade Area, 146,156, or 78% of the 187,380 total daily circulation.

Cost a thousand of Oklahoman and Times circulation, 3.8c. (Total cost against Trade Area circulation only.)

Cost a thousand circulation of the 18 dailies, (Combined circulations of 129,588) 7.7c.

THE PUFF CORNER

Oklahoma City has one of the 100 leading banking institutions in the United States, and it is one of two in the group of 23 cities in the United States of 150,000 to 250,000 population that have one of the first 100 ranking institutions.



THE DAILY OKLAHOMAN OKLAHOMA CITY TIMES

**THE OKLAHOMA PUBLISHING COMPANY
THE OKLAHOMA FARMER-STOCKMAN-WKY**

•E-Katz Special Advertising Agency-New York Chicago-Detroit-Atlanta-Kansas City-San Francisco-Dallas•

RAYMOND BILL, *Editor*; HENRY J. WRIGHT, *Advisory Editor*; D. G. BAIRD, A. R. HAHN, R. C. HAY, FRANKLIN JOHNSTON, HERBERT KERKOW, WALTER MANN, JOHN ALLEN MURPHY, RAY B. PRESCOTT, FRED SUHR, JAMES TRUE, *Associate Editors*; LAWRENCE M. HUGHES, *News Editor*; DOROTHY GUERNSEY, *Desk Editor*; ROYCE CODY, *Art Editor*.

Editorials

YOUR MONEY'S WORTH IN THE AIR: No more than \$2,000,000 a year is spent on broadcast programs by member companies of the Radio Manufacturers' Association. If this estimate is correct, and as it comes from the association itself there is no reason to doubt it, an industry which has attained a volume of not far from a billion dollars is doing very much less than its share—two mills for every dollar of sales—to kindle or sustain interest in its products. On the face of these figures, indeed, a layman would be warranted in assuming that they afford sufficient explanation of the present unsatisfactory condition in the radio market. For assuredly no argument is needed to support the statement that if the air is not kept full of sounds most people wish to hear, efforts to perfect or sell listening instruments will begin to lose their main justification. . . . Yet to this view of their position American radio manufacturers seem singularly slow to give adequate attention. Apparently they have been so much occupied with the miracles attending production and reception refinements that they have been inclined to leave to others the relatively prosaic field which deals with every-day usefulness of magic ears. This is obviously shortsighted policy. Artificially magnified functions are just as likely as the more limited natural functions to become atrophied from disuse. The growing generation takes for granted that distance has been conquered in the world of sound. There is no fear that this dominion will ever be surrendered or actually neglected. But unless active measures are taken to keep its exercise attractive, there is only too much reason to believe that the air will lose much of its fascination for a public restlessly in pursuit of new diversions. To put the case in the bluntest terms, two million dollars' worth of entertainment isn't worth the price—a billion dollars—of admission. Fortunately for the radio industry, the interests which buy time in the air for commercial purposes are astute enough to provide programs of their own of so good a quality as to insure a wide public following. In other words, this is a case where a medium owes its good will largely to what may be called its advertising matter content. The result is good as far as it goes, and no one concerned in advertising will say anything to discourage assiduous and intelligent effort to make advertising as interesting, if possible, as "reading matter"—to borrow a phrase applied to the printed page. But in principle there is unsoundness in a practice which fails to recognize the duty of a medium to assume full responsibility for attracting and holding the attention which it controls as its own stock in trade. We suggest pro-

grams of super quality, put on by the radio industry on its own account, as the most promising means of changing an overproduced condition to one of being oversold.

ARE CHAIN SALES SHRINKING? A comparative compilation of chain store sales in 1928-1929 made by the Federal Reserve Bank of New York goes a long way in supporting the judgment that these sales do not afford a reliable clue to conditions in retail trade or even to the state of the chain store business. It is the habit of investment houses which deal in chain system securities to put out monthly tabulations of noteworthy gains in volume and the Department of Commerce includes similar figures among its indices of business trends. The object of the bankers is, of course, to create an impression that the companies in which they are interested are flourishing. Government publications are merely seeking to make records as full as possible with the best data available. . . . But of the six types of chains the sales of which are checked by the Reserve Bank, only one, the grocery group, had larger sales per store in 1929 than in 1928. The other five did less business per unit in 1929 than in 1928, the decline in the case of variety chains running to nearly 7 per cent. As for the grocery chain units, though the comparison is favorable on its face, the returns fall far short of conclusive evidence that these chains are gaining ground in their own peculiar field. Many of them swell volume by adding new lines. The published records, therefore, are by no means comparable from year to year, and to that extent they are not dependable criteria of food distribution.

BUSINESS AND THE NEW CHIEF JUSTICE: Inspiration of Senate criticism of President Hoover's nomination of Charles E. Hughes grew out of no personal animus, the best observers in Washington agree, but was borne of social and political feelings rooted in dislike of public utility consolidations, the propaganda in their favor, and revival of anti-trust sentiment. Many people have gained an impression that the Supreme Court is somewhat out of touch with active developments along these lines and that the new Chief Justice has long been associated with a view of big business which concerns itself with one side of a much-vexed subject. This accounts for the adverse votes of some Senators who are not generally found among the "radical" group.

You'll Have to Admit, I Think, That This Is Service!

ONE of the most important gentlemen on the space-buying end of the advertising fraternity recently found out that he was mistaken. Which, of course, is a very human frailty. ♦ ♦ ♦ Said he, "Your Prudence Penny is doing a darn fine job, all right—but she doesn't go far enough: *she doesn't mention trade names at those exceedingly popular cooking-school classes of yours!*" Wow! What an indictment! And how definitely *wrong* the gentleman was! ♦ ♦ ♦ So get this straight, please, sir—Every Tuesday and Thursday 600 housewives flock to Prudence Penny's meetings; they see Examiner-advertised food products *actually used*; they are told *distinctly* and *repeatedly* by Prudence Penny the *trade names* and *merits* of the products she demonstrates! Furthermore, each of the 600 women, at *every* meeting, gets a printed recipe card which *again* gives the housewife the names of each and every product upon which Prudence has focused attention. ♦ ♦ ♦ Now look up at the *headline* of this ad. *Am I not right?*

LOS ANGELES EXAMINER

PUT YOUR MESSAGE BEFORE THE MODERNS

"When Metal Talks"

—by E. W. ELMORE



A Course that Does Something for Sales Managers Which They Cannot Do for Themselves

When you sell a retailer your line, does it end there . . . or does he push your name, your brand, your line? It's hard to convince him that he should do so, isn't it? It's hard to talk about yourself. But let an outsider, a practical ad man, tell him why he should feature nationally advertised products, point out the benefits and profits of so doing and then the problem is simple.

Nationally Recognized

"When Metal Talks" is a nationally known book on advertising which teaches retail promotion and ad mechanics. But, above all, it emphasizes the benefits of promoting branded goods. You should buy a copy for every salesman on your staff and for every retailer on your list. Merchants will start featuring your product immediately after reading it.

Who Buys It?

Daniel Green Shoe Co. bought 5,000, Continental Trunk Co. bought 750, and Julius Kayser, Queen Quality Shoe Co., Marcy Lee Dress Co., Bradley Knitting Mills, and a dozen others, have bought from 10 to 100 copies each. Order a few dozen copies today, and start others boosting your game. It is helpful, practical, and will be appreciated by every one of your retail accounts. Written by E. W. Elmore, Adv. Mgr., The White House, El Paso, Texas. Special discounts on 25 or more copies.

SALES MANAGEMENT, INC.,
Book Service Department,
420 Lexington Avenue,
New York, N. Y.

Please send me copies of
"When Metal Talks". Check enclosed for
\$..... Send C. O. D.

Firm
By
State City
Street Address

Municipal Stores Win a Foothold in the New York Market

(Continued from page 335)

the main office and its policies with the actual retailing.

These "main office policies" are kept up to the minute. The manner in which the retailer's buying problem is met is significant. Contrary to the ancient custom of getting the retailer to bet against the future by loading him up with quantities of each item, it has been the Municipal policy since the start to stress the importance of buying on a week-to-week basis, paying for goods in the same way. In this manner there are no cellars full of stock to tie up capital and prevent the taking of discounts or special deals. Similarly, no store can become overloaded with slow-moving items, for weekly inventory shows where each item stands in turnover.

This retailer buying policy was concisely brought out on the original order blanks printed a year ago. It follows in part: "To speed up your turnover and keep down your investment, be careful not to overstock on any item you carry in your store."

Many New Ideas

Since the Louisville survey of grocery conditions, this idea has become quite generally accepted. But a year ago it was startlingly new to practically all of the independent retail customers served by the Sweet Life Corporation.

Other modern ideas on store arrangement, credit and delivery, and cost accounting have been made a part of the program.

Decisions as to following these new ideas are arrived at by executives of Municipal stores, aided by the advisory executive committee. This latter is a rotating committee composed of three member retailers who are changed each month by a drawing of names, unless there is a repetition of service, whereupon other names are chosen arbitrarily.

One of the most important decisions recently acted upon by this committee had to do with participation in profits by retailer members. The profit-sharing plan finally arrived at is based on a percentage of sales made on individual items. In line with thorough cost accounting methods, each item has been given a profit value from which the retailer may receive a share when sales of that item go over a set figure. The plan has been applied to sales of bread, biscuits, cakes, rolls, pies, mayonnaise, jellies and jams, condiments,

milk, cream, cheese, meats, cider, vinegar, pretzels and other specialty items.

Checks to retailer members from this plan vary, with some of them running as high as \$25 a month. Negotiations with a manufacturer which were recently completed are expected to bring the average monthly profit-sharing rebate in the neighborhood of \$50 for each member store. In addition to the profit-sharing plan, group life insurance rates were made possible to member store owners.

Valspar Corporation Succeeds Valentine

Valentine & Company, paint and varnish manufacturer, New York, successor to a business established ninety-eight years ago and closely held by the Valentine family in all that time, has become the Valspar Corporation, to capitalize on the name of its products and announced this week the issue of \$2,500,000 in gold debentures, through which the public will participate as stockholders in the company for the first time.

Valentine's sales last year totaled \$6,988,924. Its products are manufactured in New York and St. Louis and sold, chiefly in packaged form, through 20,000 dealers. Valentine recently acquired the Con Ferro Paint & Varnish Company, St. Louis, which serves 4,000 "syndicate stores."

L. Valentine Pulsifer, president of Valentine & Company, will head the new corporation.

General Foods Merges Wholesale Houses

Batchelder & Snyder Company, Arthur E. Dorr Company and William A. Doe Company, wholesale packing and food distributing houses of Boston, have been merged as Batchelder, Snyder, Dorr & Doe Company, under the control of Frosted Foods Company, Inc., a subsidiary of General Foods Corporation. First National Stores, Inc., has disposed of its interest in the wholesale business of the Dorr company to the new consolidation.

The company will serve New England and the Atlantic Coast States—its manufacturing activities being concentrated in the plants of Batchelder & Snyder at Boston.

How Are We to Set Price Policies

(Continued from page 349)

place of an old-style product which cost much less.

The firm later brought in a sales manager who had received his training and experience in one of the largest and most successful organizations selling a high-priced mechanical specialty. As rapidly as possible he broke away from the dealer type organization; hired, trained carefully and put into the field his own direct men. But before doing this he recommended and had passed a price increase that took the breath out of the dealers. As they had been unable to sell any volume at the old prices, they knew for certain that the new prices would kill the proposition entirely.

But the new prices went into effect and so did the new type sales organization. In less than five years the sales climbed to better than five times the volume of the best year under the dealer plan. The product was materially improved during this period, with further price increases to cover.

The new organization, while being employed to dispose of the one product was trained to sell the service, protection and peace of mind which the product offered.

When a sales organization is employed and trained on that basis, price resistance has few terrors for the management.

Survey of Surveys

(Continued from page 326)

least one eating place nowadays). There are no office equipment stores (which is most natural), no separate breakdown of independent and chain gasoline stations, etc. On the other hand, the number of banks, motion picture theaters and whether the towns have gas or electricity or both is given, and all in all a most complete picture of these smaller places results.

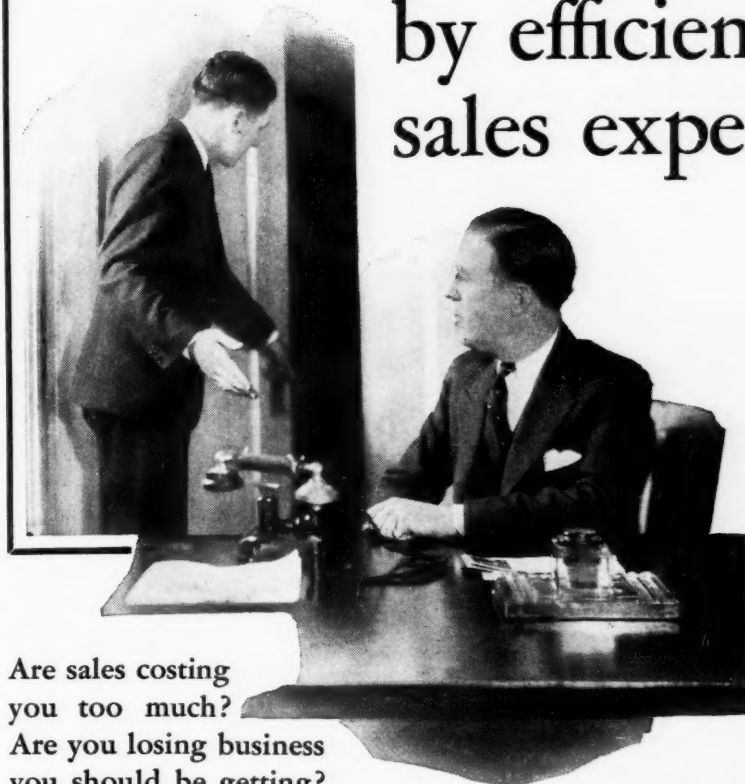
There is a detailed explanation of data classifications in the preface, which is most illuminating, and a brief yet complete statement of how the information was gathered, as follows: "It cannot be stressed too strongly that the information . . . is direct either from newspaper publishers, or local Chambers of Commerce. Fully 95 per cent of all the data was supplied by the publishers."

There are no serious criticisms that can be made of such a painstaking piece of work. This method of data collection admittedly has its statistical drawbacks, but I know of no other place from which it might be as completely, nor for that matter as accurately, secured as from these same publishers.

The price is \$5.00 (includes subscription to the monthly magazine *The American Press* and cannot be bought separately) and more than worth it. Procurable from the American Press Association, 225 West Thirty-ninth Street, New York City, or through this column.

Job Wanted

by efficient sales expert



Are sales costing you too much?

Are you losing business you should be getting?

Read what this new sales maker has to offer in results.

given out. That eliminates the waste of ordinary advertising.

The pencil of big business

Autopoint pulls its weight in sales. Its "references" read like Who's Who. Measured by results, Autopoint is an A1 closer that works while your salesmen sleep!

Learn more of Autopoint's advantages. Let us give you facts and figures. Let us tell you if he can help in your business. To executives—and to executives only—who mail the coupon below with business card or letterhead, a most interesting proposition, and a fine Autopoint free. Mail the coupon today.

**Autopoint
Oversize
\$1.00**

3 Big Features

- 1 Cannot "jam"—protected by patent. But one simple moving part. Nothing to go wrong. No repairs.
- 2 Bakelite barrel, beautiful onyx-like, lightweight material.
- 3 Perfect balance—not "topheavy."

Autopoint
The "Better Pencil" Made of Bakelite

AUTOPOINT COMPANY
1801-31 Foster Ave., Chicago, Ill.

Attach business card or letterhead For Executives Only

AUTOPOINT COMPANY
1801-31 Foster Ave., Chicago, Ill.

Without obligation, please send sample Autopoint, booklet, sales-building proposition, prices, etc.

Name

Firm

Title

Address

SM-2-22-30



Table IV. Salary, Traveling Expense and Bonus Based on Relative Performance Plan

Ten salesmen at \$100,000 each = \$1,000,000 net sales
(All on basis of one full year.)

Total direct sales expense, 6 per cent.....	\$60,000
Total traveling expense, 2 per cent.....	20,000
Total sales compensation, 4 per cent.....	\$40,000
Reserved for bonus, 0.5 per cent.....	5,000
Total salaries	\$35,000
Average salary	\$3,500

Salesmen	A	B	C	D	E	F	G	H	I	J	Total
Number of calls.....	2,100	3,200	1,800	3,000	2,400	2,500	2,700	2,000	1,500	2,800	
Rating	4	10	2	9	5	6	7	3	1	8	55
No. of demonstrations..	460	450	200	300	500	700	400	350	150	420	
Rating	8	7	2	3	9	10	5	4	1	6	55
Number of sales	300	200	150	210	350	370	220	175	160	230	
Rating	8	4	1	5	9	10	6	3	2	7	55
No. of new customers..	40	70	15	25	18	35	30	10	20	45	
Rating	8	10	2	5	3	7	6	1	4	9	55
Ratio of high to low profit sales .....	.5	5	6	8	.9	1	4	3	.8	.7	
Rating	1	8	9	10	4	5	7	6	3	2	55
Total rating	29	39	16	32	30	38	31	17	11	32	275
Per cent of total bonus..	10.6%	14.2%	5.8%	11.6%	10.9%	13.8%	11.3%	6.2%	4.0%	11.6%	100%
Bonus paid	\$530	\$710	\$290	\$580	\$545	\$690	\$565	\$310	\$200	\$580	\$5,000

The Best Method for Paying Your Salesmen

(Continued from page 348)

desirable factors are assigned as a bonus basis and records are kept of the performance of the field force. These factors are weighted if desirable (not done in the example) and then totaled. Bonus is paid proportionately to the ratio each total bears to the grand total.

The advantages of the Salary, Traveling Expense and Bonus on Relative Performance Plan are:

Same as Salary and Traveling Expense Plan.

Effort is directed exactly where desired.

Results can be readily published for competitive stimulation.

The disadvantages of the Salary, Traveling Expense and Bonus on Relative Performance Plan are:

Same as Salary and Traveling Expense Plan, except for incentive for effort.

Records may be complicated for large sales force.

Salesmen will be suspicious unless results are published.

Comparison of Direct Sales Expense to Company

The charts on page 344 show assembled comparisons of the various methods described in detail. In general, all methods based on salary ap-

Table III. Salary, Traveling Expense and Arbitrary
Rating Bonus Plan

Ten salesmen at \$100,000 each = \$1,000,000 net sales.
(All on basis of one full year.)

Total direct sales expense, 6 per cent.....	\$60,000
Total traveling expense, 2 per cent.....	20,000
Total sales compensation, 4 per cent.....	\$40,000
Reserved for bonus, 0.5 per cent.....	5,000
Total salaries	\$35,000
Average salary	\$3,500

Grading of Salesmen

Salesman Value	Bonus
A—100	\$648.15
B— 80	518.52
C— 70	453.70
D— 60	388.89
E— 50	324.07
F— 44	285.19
G— 38	246.30
H— 36	233.33
I— 32	207.41
J— 30	194.44
270	\$3,500.00

pear much more expensive in the lower sales ranges than various forms of commission and slightly less expensive in the higher ranges.

However, such a conclusion would be fallacious, and each curve must be considered in relation to the others only as regards its general outline and not by its height above the base line.

The fallacy would lie in assuming that, under any and all methods of sales compensation illustrated, for \$6,000 sales expense to the company, the salesman would necessarily produce \$100,000 net sales. In other words, in any particular business, the sales executive is justified in using such tables and curves only as a basis for designing his own compensation plans, but would err seriously in assuming that comparisons of sales expense can be made mechanically without having carefully prepared tables to support such comparisons.

Different forms of compensation will produce different sales results for the same expenditure of money; hence, the ever continuing search for more effectual methods.

Pawley Company, Inc., Albany agency, has opened an office at 140 Federal Street, Boston, with George A. Pawley, vice-president, in charge.

What Is a Sound Expansion Policy?

(Continued from page 339)

looks to their fair skins. Evidently they gave their skins much care. This led to the thought that good face creams could be prepared and if marketed generally would give all women the means of having the fair complexions that characterized the Waldorf's guests. Thus came into existence the famous Daggett and Ramsdell line of face creams.

The McCallum Hosiery Company grew out of a retail store which was operated by Alexander McCallum. Mr. McCallum visioned greater opportunities in manufacturing than in retailing. He selected full-fashioned silk hosiery as the product to make. The business was outstandingly successful. Just a few weeks ago it consolidated with one of its principal rivals, the Proper Silk Hosiery Mills.

Promising by-products have led numerous manufacturers away from their original business. In many instances these sidelines became tails that wagged the dog. Afterward the dog was chopped off and the tail functioned independently. The Cream of Wheat Corporation has had some such history. The late Emery Mapes and an associate ran a flour mill in North Dakota. Mr. Mapes conceived the idea of packaging the heart of the wheat and of selling it as a breakfast food. Cream of Wheat went over so well that it was not long before the flour mill was given up.

Origin of Parker-Kalon

Hyman Rosenberg was a sheet metal working contractor. He built a lot of ventilating shafts. Because of the difficulty of riveting screws inside these shafts Mr. Rosenberg invented the drive screw. The field for this screw was so wide that the contracting business was discontinued. And the Parker-Kalon Corporation was organized to give all its energies to the manufacture and the marketing of the drive screw.

The B. F. Sturtevant Company has passed through a similar evolution. In fact, the management itself admits that "the entire growth of the company has been a consistent evolution." Mr. Sturtevant started out as a shoemaker in a Maine village. He pegged his shoes by hand, as they had always been pegged up to that time. I believe that the wooden pegs themselves also had to be fashioned by hand. The energetic Sturtevant grew impatient of these laborious processes. So he invented a machine that shaved a continuous ribbon of wood from a

log. The machine fed this strip to a cutter, which fashioned the pegs and with the same blow that formed the peg it was driven into the shoe.

Mr. Sturtevant began using his machine in his own shop. It grew apace, as machine manufacturing superseded the hand work. It was soon discovered, however, that the operation of the machines created a dust which greatly annoyed the workmen. To overcome this difficulty the young inventor designed a blower to fan the dust away. Thus the first Sturtevant blower came into existence. It seemed to have such an important market that the shoe business was disposed of and the blower became the sole object of Sturtevant manufacturing. The present ramified Sturtevant line was created in much the same manner. Each new product was a logical step onward from its predecessor in the line.

Krauter's Hobby

A number of stories of what business men have done with their hobbies could logically be included in this article. But I have space for just one. Arthur A. Krauter, president of Krauter & Company, is a golf enthusiast. Krauter & Company manufacture pliers and other tools. Mr. Krauter began making golf clubs in the basement of his office. He gave them away as souvenirs to his friends and business associates. Presently, though, a commercial demand for his clubs arose that eventually he was obliged to recognize. He started the Kroydon Company. Today Kroydon golf clubs are better known than Krauter tools.

Many products originated in jewelry stores. The jeweler, like the druggist, is a manufacturer. He operates a lathe and other small tools at his work bench. He is trained to make things. When we know this perhaps it is not so surprising that the Baldwin Locomotive Works came out of a jewelry store. The first Baldwin, or whoever was the founder of the firm, was a jeweler. At that time the only motive power a jeweler had was steam. A small stationary steam engine chugged away in the rear or in the basement of the jeweler whose business could justify such an extravagance. Anyway it was one of these jewelers' engines that became the parent of the Baldwin locomotive.

W. A. Sheaffer was a jeweler at Fort Madison, Iowa. Among other things he handled fountain pens. He

"There are many reasons" why more than 120 national advertisers use The Biloxi-Gulfport Daily Herald to reach the people of the Mississippi Coast.

It goes into nearly every home in Harrison and Stone counties and parts of Jackson and Hancock counties.

You can cover the Mississippi Coast—only with the Herald.



THE DAILY HERALD

Herald Building
Gulfport

Herald Building
Mississippi Biloxi



Fletcher Anticipates Your Man Problems

Almost every day some employer comes to us with a personnel problem which we are able to solve to his satisfaction, quickly and at a slight expense. To the employers it seems that we do this easily. Sometimes the problems are difficult.

The reason why we can produce results quickly for many clients lies in the fact that we anticipate their need. For ten and one-half years we have been locating and investigating capable men for responsible positions. We have over 14,000 thoroughly investigated records on file. Our indexing system helps us to produce the right man quickly.

If you have a personnel problem, why not tell us about it and find out if we can help you. Perhaps our booklet, "To Him That Hath—", which explains the work of our Service Department for men desiring positions, will help you to understand something of how we anticipate your needs. It is free to employers who write us on their own letterheads.

WILLIAM L. FLETCHER, INC.

Personnel Managers and Counselors
8 Newbury street - Suite 975
BOSTON, MASSACHUSETTS

**BIGELOW,
KENT,
WILLARD
& Co., Inc.**

Consulting Engineers

*Merchandising
Counselors*

**Park Square Building
BOSTON, MASSACHUSETTS**

A record of the Proceedings of the Second Merchandising Conference, held under our auspices in Boston, in May, is available for loan to company officials. A request will place your name on the list to receive a copy, which is to be returned to us in ten days.

Bruce Barton

says:

"I have known Dick Hay for many years. He has not only a thorough knowledge of his subject but the ability to impart that knowledge in a stimulating and effective fashion. His courage is an inspiration."

For MANUFACTURERS and ADVERTISING AGENCIES my wide Sales Management and Retail experience can be worth many times its cost.

From June to September I will be available in New York as a Consultant on Sales, Merchandising, and Marketing problems, for a few clients only.

Please address inquiries to

RICHARD C. HAY
Soldiers Field Boston, Mass.

was dissatisfied with several of the features of these pens. He set out to improve them. He succeeded. He made fountain pens of his own. In this way the W. A. Sheaffer jewelry store became the W. A. Sheaffer Pen Company, probably Fort Madison's largest industry.

Nathaniel Jenkins, founder of Jenkins Brothers, valve manufacturers, also was a jeweler. The leaky water faucets in his home bothered him. He contrived a rubber compound disc which stopped the leaking and which was capable of withstanding hot water. But that did not satisfy Jenkins. He was sure he could make a better valve. He did. In 1864 he gave up the jewelry business and concerned himself thereafter with valve manufacturing.

(The second section of this article will appear in the March 1 issue.—THE EDITORS.)

Sales Management Weekly Index to Motor Activity

(Average of years 1924-28, inclusive, equals 100)

Year 1930	Year 1929
Jan. 4 112	Jan. 5 103
Jan. 11 114	Jan. 12 ... 138
Jan. 18 118	Jan. 19 142
Jan. 25 ... 127	Jan. 26 ... 144
Feb. 1 127	Feb. 2 147
Feb. 8 128	Feb. 9 149
Feb. 15 ... 129	Feb. 16 ... 147

The exact sources of data on which the SALES MANAGEMENT Weekly Index of Motor Activity is based cannot be completely explained or disclosed for the reason that much of the information used is obtained in confidence. The computation itself is entrusted to one of the leading economists and statisticians of the automotive industry.

The principal factor involved is that of factory consumption, the data being used along this line involving approximately 25 per cent of the total production of the motor car industry. Inasmuch as production of automobiles is adjusted to retail sales at relatively short intervals of time, this index really portrays to some extent the trend of motor car retail sales as well as of motor car production. The volume of business transacted by the automotive industry, including its tremendous consumption of many and varied types of products as glass, steel, paint, cotton, copper, etc., gives this index of motor activity much significance from the standpoint of the business of the country at large. The fact that it can be obtained weekly also contributes to making it one of the most valuable indices to general business conditions that have been thus far developed.

Bond Starts Service

Willard H. Bond, who resigned recently as advertising manager of H. R. Mallinson & Company, New York textile house, has opened his own sales and advertising office, known as Willard H. Bond, Inc., at 247 Park Avenue, there. He will continue to direct Mallinson advertising.

Account Changes

MALLORY HAT COMPANY, Danbury, Connecticut, women's hats, to Marjorie Signer, Inc., New York City.

PITTSBURGH GAGE & SUPPLY COMPANY, Pittsburgh, Gainaday electric washing machine account to Fuller & Smith, Cleveland.

FULLER-WARREN COMPANY, Milwaukee, Wisconsin, stoves; EVERHOT HEATER COMPANY, Detroit, automatic gas water heaters for homes and commercial use; and the BASTIAN-BLESSING COMPANY, Chicago, Rego welding equipment, to the Cramer-Krasselt Company, Milwaukee.

LONG ISLAND RAILROAD, New York, to Dyer-Enzinger Company, Inc., New York City. Newspapers in New York and Long Island.

BORDEN COMPANY, Warren, Ohio, Beaver pipe cutting and threading tools, to McClure & Wilder, there. Trade papers and direct mail.

J. E. MERGOTT COMPANY, Newark, Hold-a-Pak novelty cigarette case, to Lawrence Fertig Company, Inc., New York.

UNIVERSAL CONCRETE PIPE COMPANY, New Martinsville, West Virginia, to McAdam Advertising, Inc., there. Direct mail.

WILCOX-RICH CORPORATION, Detroit, Rich valves, Wilcox tappets and Will-Rich piston rings, to C. C. Winningham, Inc., there.

WILCOLATOR COMPANY, Newark, New Jersey, Aqualator Humidifiers and other heat-controlling devices, to the Tuthill Advertising Agency, Inc., New York City.

DIP-IT, INC., Stamford, Connecticut, to Kling-Gibson Company, Chicago.

CARNEY ET CIE, Paris and Boston, perfumes and extracts, to Brown's Publicity Service of Boston.

FRANK ADAM ELECTRIC COMPANY, St. Louis, electrical panelboards, switchboards, etc., to Gale & Pietsch, Inc., Chicago.

125 Butter and Egg Stores Form Chain

A chain of 125 butter and egg stores, said to be the largest in the country, comprising the Kennedy and the S. K. Ames interests, has been formed at Rockland, Maine, according to announcement by Adriel U. Bird, president of the Bird Company, which controls the S. K. Ames, Inc., chain, to which is now added the Kennedy chain of sixty stores, all to be operated by a new corporation under the Kennedy name. Mr. Bird is president and William G. Reuter, of Boston, treasurer.

What the Department of Commerce Contributes to Trading Area Study

(Continued from page 342)

Later in the introduction it says, "The county was selected as the statistical unit, primarily because it is the smallest political unit for which satisfactory statistics are available." This was followed after an irrelevant paragraph by the following:

"The consensus of opinion seems to be that trade areas or territories should be worked out to conform to the individual firm's operation. It is generally recognized that it is desirable for the majority of distributors to do this in order to check sales and net profits against distribution costs. To assist those organizations which have not already worked out trading areas and to furnish a check to those that have already done so, however, four trading area maps are included as supplements to this Handbook. . . . These maps were all worked up from different points of view and either the maps themselves, or the bases upon which they were made, have been in use by a large number of distributors for a number of years.

Grocery Study Map

"Both the wholesale and the retail angles of the distribution system are represented in a general way by two maps.† The Wholesale Grocery Territories map is a composite of the 183 trading areas outlined in the Atlas of Wholesale Grocery Territories published by the Domestic Commerce Division of the Department of Commerce in 1926. This study, while based upon the distribution of groceries, has had wide use in the distribution of a variety of commodities.

"The Operating Territories map, presented through the courtesy of Batten, Barton, Durstine & Osborn, Inc., delineates fifty major trading areas which are subdivided, in some instances into secondary areas, making a total of 187 areas for the country as a whole. The other two maps are presented through the courtesy of the International Magazine Company, Inc., marketing division, and the J. Walter Thompson Company, Inc., and delineate consumer trading areas and retail shopping areas, respectively. The maps from which these reproductions were made show a number of split counties because the actual flow of trade in counties is divided in numer-

ous instances. The reason county lines were strictly adhered to in the maps which appear herein is that the basic statistical data contained in this Handbook do not afford the basis for breaking the county according to the flow of trade.

"The Department of Commerce assumes no responsibility for the accuracy of these three latter maps, but presents them as suggestions of possible groupings of counties around trade centers and it is believed they will be of some help to the individual sales manager in laying out his own sales and operating territories and allocating his advertising and sales expenses."

Then follows a detailed description of the data included in the subsequent pages. This will not be discussed until later, since we are first trying to get a clear picture of the various methods of area delineation before we go into the question of applying figures of any kind to the areas outlined. The preface finishes with a comprehensive bibliography of the existing written material on the subject. This bibliography does not include, among others, two important books on the subject, which have subsequently been published, i. e., "Sales Quotas" by Percival White and "Budgetary Control of Distribution" by T. O. Grisell, both published by Harper and Brothers, New York City.

Two Examples of Areas

As an illustration of the similarity of viewpoint which sometimes exists in the two "wholesale trading area" maps, we call attention to the Grand Rapids, Michigan, areas as shown by the Wholesale Grocery map, and that of the Batten, Barton, Durstine & Osborn, Inc., map. Similarly for the two consumer or "retail" area maps around the same center. On the other hand, if we take the Pittsburgh retail area we find that the J. Walter Thompson "Retail Shopping Area" contains six additional counties or nearly three times the number of counties found in the International Magazine Company area. In the Pittsburgh Wholesale Grocery area we find twelve counties versus seventeen counties in the Grisell (B.B.D. & O.) outline.

What is to be done about getting all these areas down to a more comparable basis? As the average layman now stands, he is totally at a loss as to which system he should follow. He

Your Salesman Is a Fighter!

If he isn't, Heaven help him—and you—in 1930.

Our Book of Awards, and our special methods for sustaining enthusiasm, have kept the fighting spirit hot in many of the most successful sales contests of recent years.

Our 1930 book, far superior to anything we ever issued before, is just off the press. It is yours for the asking. Please state number of salesmen employed.

**United Premium
Sales & Service Co.**

*Builders of Sales
Stimulation Plans*

222 W. Adams St., Chicago

"AN ADDRESS OF DISTINCTION"



You Get . . .
So Much MORE

INTERNATIONALLY known . . . the habitual stopping place of world travelers . . . conveniently accessible to all Loop activities . . . foods of surpassing excellence. Spacious and smartly elegant rooms. Distinguished accommodations at remarkably reasonable cost. Rates begin at \$5 per day. Permanent Suites at Special Discounts.

**THE
DRAKE
HOTEL, CHICAGO**
Under Blackstone Management

†See the cuts on page 342 showing the Grand Rapids, Michigan, area as of each of these maps.

tries to fathom the ways in which a given system might tally with *his* type of product and method of distribution, and finally either lapses back into his old haphazard guessing with a gesture of hopelessness, or he dives off the deep end, despite the limitations which one or another of these systems admittedly offers, and becomes an almost fanatical proponent of that theory, defending or forgetting those points which are weak or contradictory.

Is it true, as the Market Handbook says, that each manufacturer must work out a special set of areas of his own to fit his particular product and distribution problem; or is it possible that there are certain general bases which *can* be established before the specific applications to a given product and problem are made? If so, what are these general bases; and if not, we may all well ask in the vernacular, "What's all the shootin' for?"

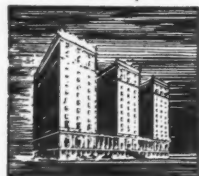
We have no desire whatever to precipitate an unnecessary or undesirable discussion. But if an open and general forum will result in a clarification of this moot question in distribution, we will gladly provide the vehicle for such a discussion through these columns. It is up to the readers of SALES MANAGEMENT to decide. If you want this subject discussed, send in your comments and your questions on the subject at the earliest possible date.

North American Aviation Buys Ford Instrument

North American Aviation, Inc., the first large aviation holding company formed in this country, has purchased all of the common stock of the Ford Instrument Company, Long Island City, and will operate it as a separate unit, with Hannibal C. Ford as president.

Hotel SYRACUSE

SYRACUSE, N. Y.



A HOTEL of prestige and distinction. 600 outside rooms, each with bath. Rates \$3.00 up. Sample rooms \$4.00 up.

Roy P. Brainard, Managing Director

POWERS HOTEL • ROCHESTER, N.Y.
Under Same Management

Personal Service and Supplies

Classified Rates: 50c a line of seven words; minimum \$3.00. No display.
Cash Basis Only. Remittance Must Accompany Order.

POSITION WANTED

TO MANUFACTURERS OF INDUSTRIAL PRODUCTS—A man with a successful career of over twenty-five years as general and sales executive is available for a manufacturer selling to industrial markets. His experience includes contracting, petroleum, marine, manufacturing and other fields, as well as mill supply house selling. He is a competent director of salesmen and of branch office activities. He has a background of legal training, and has been the representative of his company on trade association committees and on the Simplified Practice Committee of U. S. Department of Commerce. Interviews may be arranged through Rickard and Company, Inc., 420 Lexington Avenue, New York, N. Y.

EXECUTIVES WANTED

IF YOU ARE OPEN TO OVERTURES FOR new connection and qualified for a salary between \$2,500 and \$25,000, your response to this announcement is invited. The undersigned provides a thoroughly organized service, of recognized standing and reputation, through which preliminaries are negotiated confidentially for positions of the calibre indicated. The procedure is individualized to each client's personal requirements; your identity covered and present position protected. Established twenty years. Send only name and address for details. R. W. Bixby, Inc., 118 Downtown Building, Buffalo, N. Y.

EXECUTIVES — CAPABLE OF EARNING from \$5,000 to \$50,000 per year can make profitable contacts in all parts of the United States through our service. Confidential and reliable. Write for particulars. Associated Executive Service, Inc., 1204 Colonial Bldg., Philadelphia, Pa.

SALESMEN WANTED

WANTED—SALES PROMOTION MEN TO introduce the Alexander line of gliders and airplanes. Several profitable plans are open to fliers and non-fliers who can sell. In some cases demonstrators and drawing accounts will be furnished. An opportunity is offered to break into the most profitable branch of aeronautics and to prepare yourself to make \$10,000 or more per year with little or no initial capital. Send your qualifications to Alexander Aircraft Co., Room 16, Colorado Springs, Colo.

SALES PROMOTION

\$50 to \$50,000 DAILY SALES SECURED FOR our clients. This distributor took on a new specialty, retailing at \$60. His first purchase \$12. We submitted a sales program capable of national expansion. Within four years his sales were nation-wide, running to \$100,000 monthly. 35 years salesmanship-in-print experience back of our campaigns. Submit Sales problems for free diagnosis. 10 years Sales Promotion Manager, Larkin Co. James C. Johnson, 119 Woodbridge Ave., Buffalo, N. Y.

Index to Advertisers

	PAGE		PAGE
Airway Age	355	Hotels Statler	358
Akron Beacon Journal	325	Indianapolis News	345
American Tel. & Tel. Co.	357	Life	328
Autopoint Co.	363	Listo Pencil Corp.	368
Bigelow, Kent, Willard & Co., Inc.	366	Los Angeles Examiner	361
Biloxi Daily Herald	365	Mahin, John Lee	326
Booth Newspapers, Inc.	354	Meyercord Co.	351
Bur. of Envelope Mfrs. of America	Cover	New York News	Cover
Chicago Evening American	353	New York Sun	332
Cleveland Press	343	Oklahoma City Daily Oklahoman & Times	359
Columbus Dispatch	Cover	Pittsburgh Press	346-347
Delineator	330-331	Premium Service Co., Inc.	356
Drake Hotel	367	Sterling Engraving Co.	327
Fletcher, Inc., William L.	365	Taxi Weekly	368
Florida Times-Union	329	United Premium Sales & Service Co.	367
Gibbons, Ltd., J. J.	368		
Hay, Richard C.	366		
Hotel Syracuse	368		

The Taxi Weekly

Covers the Whole Cab Industry

New York Edition goes to 10,000 taxicab individual fleet and company operators. Issued Mondays. National Edition goes to 4,000 fleet and company operators throughout the U. S. Issued Mondays.

Published in Its Own Printing Plant at 54 West 74th Street—New York City

WRITE more EASILY

WITH **LISTO**
PENCILS and LEADS

A Million Users Know Their Superiority
Listo Pencil Corp., Dept. B, Alameda, Cal.

"GIBBONS knows CANADA"

J. J. GIBBONS Limited Advertising Agents
Toronto Montreal Winnipeg Vancouver Hamilton London, Eng.
New York Office 2152 Granbar Bldg. Thomas L. Briggs Manager for United States